22ND & 23RD ANNUAL REPORT
2008-2009 & 2009-2010



MAHAAN FOODS LIMITED

Board of Directors	Shri Sanjeev Goyal, Managing Director Smt Saloni Goyal Shri Sanjay Kumar Jain Shri Anand Sekhri Smt Harmeet Kaur Shri Aseem Chawla Shri Rajendra Kumar Dhall
Bankers	State Bank of Patiala State Bank of India State Bank of Hyderabad HDFC Bank IDBI Bank Punjab National Bank
Secretary	Ms Shweta Arora
Auditors	Messrs. D.D. Nagpal & Co., Chartered Accountants, Room No.H, 6th Floor, Gopala Tower, 25, Rajendra Place, Pusa Road New Delhi-110008
Registered Office	Village Kunja, Rampur Road, Paonta Sahib, Solan, Distt.Sirmour Himachal Pradesh - 173025.
Corporate Office	M-19, 1st Floor, M-Block Market, Greater Kailash Part-II New Delhi -110048
Works	9 KM Stone, Pipli to Ambala, G. T. Road, Vill. Masana, Kurukshetra-136118 Haryana Village Kunja, Rampur Road, Paonta Sahib, Solan, Distt.Sirmour Himachal Pradesh - 173025.
Registrar & Transfer Agents	M/s Alankit Assignment Ltd. 2E/21, Jhandewalan Extn Karol Bagh New Delhi-110005

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the shareholders of Mahaan Foods Limited will be held at Hotel Grand Riviera, Paonta Sahib -173025, Himachal Pradesh on Friday, 24th December, 2010 at 9.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.

2. To appoint M/s Dawar.Mathur & Goel as Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:**

   '**RESOLVED THAT** Shri Sanjeev Goyal who was appointed by the Board as an additional director with effect from 5th March, 2009 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation.

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

   '**RESOLVED THAT** Smt Saloni Goyal who was appointed by the Board as an additional director with effect from 14th April, 2009 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing her candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation.

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:**

   '**RESOLVED THAT** Shri Sanjay Kumar Jain who was appointed by the Board as an additional director with effect from 19th May, 2009 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation.

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

'**RESOLVED THAT** Shri Anand Sekhri who was appointed by the Board as an additional director with effect from 14th April, 2009 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

'**RESOLVED THAT** Smt Harmeet Kaur who was appointed by the Board as an additional director with effect from 14th April, 2009 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing her candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation.

By order of the Board of Directors

Sd/-
(Shweta Arora)
Company Secretary

Place: New Delhi
Date: 25/11/2010

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.PROXIES MUST BE LODGED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

2. Members desiring any information as regards accounts and operations are required to write to the Company at its Corporate Office one week before the date of the meeting so that the information is made available at the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 22/12/2010 to Friday, 24/12/2010 (both days inclusive).

4. Members/Proxies are requested to bring their copy of Annual Report to the Meeting as extra copies will not be distributed.

5. Members/Proxies should fill the attendance slip for attending the meeting.

6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. Corporate members intending to send their authorized representative are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

9. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING OF YOUR COMPANY.**

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be re-appointed is given below:-

A.

1.Name	:	Sanjeev Goyal
2.Date of Birth	:	17/5/1961
3.Qualifications	:	Bachelor in Engineering
4.Experience	:	25 years vast experience in the field of Dairy Indusrty
5.Outside Directorship	:	Nil
6 Membership/ Chairmanship of the Board Committees of the Companies	:	Nil
7.No. of shares held (both own or held by/ for other persons on a beneficial basis) in the company	:	120500 equity shares

B.

1.Name	:	Saloni Goyal
2.Date of Birth	:	04/12/1965
3.Qualifications	:	B.Com (Hons.) , PG in International Trade
4.Experience	:	Over as decade of experience in managing a corporate
5.Outside Directorship	:	Everbright Estates Private Limited
6 Membership/ Chairmanship of the Board Committees of the Companies	:	Nil
7.No. of shares held (both own or held by/ for other persons on a beneficial basis) in the company	:	135726 equity shares

C.

1.Name	:	Sanjay Kumar Jain
2.Date of Birth	:	31/10/1946
3.Qualifications	:	BSc, FCA,,
4.Experience	:	Practicing Chartered Accountant for 30 years
5.Outside Directorship	:	1) Innumerable Services Pvt. Ltd 2) Compact Trading Pvt. Ltd 3) Positron Trading Pvt. Ltd
6 Membership/ Chairmanship of the Board Committees of the Companies	:	Nil
7.No. of shares held (both own or held by/ for other persons on a beneficial basis) in the company	:	Nil

D.

1.Name	:	Anand Sekhri
2.Date of Birth	:	24/08/1961
3.Qualifications	:	Bachelor in Engineering
4.Experience	:	Over three decades of experience in Pharma Industry
5.Outside Directorship	:	1) Dhiti Biotech India Private Ltd 2) Veexl Surface Engg Private Limited 3) Veexl Engineering Solutions Private Limited
6 Membership/ Chairmanship of the Board Committees of the Companies	:	Nil
7.No. of shares held (both own or held by/ for other persons on a beneficial basis) in the company	:	Nil

E.

1.Name	:	Harmeet Kaur
2.Date of Birth	:	20/04/1966
3.Qualifications	:	BSc , B.Ed
4.Experience	:	Experience in the field of Real Estate development
5.Outside Directorship	:	Nil
6 Membership/ Chairmanship of the Board Committees of the Companies	:	Nil
7.No. of shares held (both own or held by/ for other persons on a beneficial basis) in the company	:	Nil

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.3 to 7

Your company could not hold its Annual General Meeting during the year 2009 due to petition filed under section 397/ 398 of the Companies Act, 1956 involving the company. The Hon'ble Company Law Board vide its order dated 3rd September, 2010 has settled the dispute and has allowed your company to hold its Annual General Meeting for the year ended 31st March, 2009 latest by 31st December, 2010. The Hon'ble Company Law Board vide clause 8 of its order dated 3rd September, 2010 has also condoned the delay occuring in any regulatory conpliances of provisions of the Companies Act, 1956. Your company has informed the office of the Registrar of Companies and has also obtained its approval for holding its annual general meeting accordingly.

The appointments of Shri Sanjeev Goyal, Smt Saloni Goyal, Shri Sanjay Kumar Jain, Shri Anand Sekhri , Mrs Harmeet Kaur as additional directors were made by the Board of Directors of your company on 5th March, 2009, 14th April, 2009 and 19th May, 2009 respectively and since no annual general meeeting could be held by the company during the year 2009, their appointments are now being regularised as Directors of the company. The Company has received notices under section 257 of the Companies Act, 1956 with respect to each of these Directors and the Board recommend their appointment as Directors of the company in the best interests of your company.

None of the Directors other than Shri Sanjeev Goyal, Smt Saloni Goyal, Shri Sanjay Kumar Jain, Shri Anand Sekhri and Mrs Harmeet Kaur are interested in their respective resolutions appointing them as Directors of the company.

By order of the Board of Directors

Sd/-
(Shweta Arora)
Company Secretary

Place: New Delhi
Date: 25/11/2010

DIRECTORS' REPORT
TO THE MEMBERS

Your Directors have pleasure in presenting the 22nd Annual Report of the Company together with the Audited Accounts for the year ended on 31st March, 2009 .

STATE OF AFFAIRS

A petition involving the company was filed under section 397/ 398 of the Companies Act, 1956 and the Hon'ble Company Law Board (CLB) vide its order dated 2nd June, 2009 restrained the company in holding its Board Meetings till further orders. The Hon'ble CLB vide its final order dated 3rd September, 2010 has taken on record the settlement involving your company and has directed / mentioned regarding the following

1. The status quo ordered on 2nd June, 2009 on holding of the Board Meetings has been vacated
2. The company has been permitted to extend the time for holding the Annual General Meetings and signing of its Annual Accounts for the financial years 2008-2009 and 2009-2010 till 31st December, 2010
3. The company has been allowed to file its pending quarterly results with the Stock Exchanges till 31st December, 2010
4. The delay, occuring in any regulatory compliance of provisions of the Companies Act, 1956 having penal consequences has been condoned.
5. For giving effect to the settlement, all regulatory bodies shall take into consideration the point no.4 mentioned above while regularising all defaults in the Company.

The implementation of the order is in progress under the supervision of Mediator appointed by the Hon'ble CLB.

OPERATING RESULTS

The summarized financial results for the year ended 31st March, 2009 and for the previous year ended 31st March, 2008 are as follows: -

		(Rs in lacs)
	2008-09	**2007-08**
Sales & other income	8893.81	9264.09
Profit before interest and depreciation & taxes	285.29	350.92
Profit / (Loss) before taxes	52.67	131.88
Taxation	0.79	18.60
Profit / (Loss) after taxes	51.88	113.28

In addition to legal wrangles faced by the company during the years 2009, increase in the costs in terms of raw material inputs, services, power and fuel also contributed to inadequate profits of the company. The company has taken necessary steps for achieving higher productivity by curtailing costs improving thereby overall efficiency and achieving higher outputs. The company is also on look out of increasing its sales revenues by increase in prices as well as increase in quantum of its sales.

DIVIDEND

In view of the marginal profits of the company and in order to conserve the resources for the growth of the company, the Directors do not recommend any dividend for the year under review.

CORPORATE GOVERNANCE

Report on the Corporate Governance along with the certificate from a Practising Company Secretary, confirming compliance or otherwise of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual Report.

DIRECTORS

None of the Directors is retiring by rotation this year as all the Directors who were appointed as Additional Directors of the company during the years 2009 are now being regularised as Directors at the forthcoming Annual General Meeting of the company. The Board recommends appointment of Shri Sanjeev Goyal, Smt Saloni Goyal, Shri Anand Sekhri, Smt Harmeet Kaur, and Shri Sanjay Kumar Jain as Directors in the best interests of the company.

DEPOSITS

The company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 as modified from time to time..

AUDITORS

Messrs Dawar Mathur & Goel, Chartered Accountants have furnished a certificate u/s 224(1B) of the Companies Act, 1956 and are eligible for appointment. Your Directors recommend appointment of M/s Dawar Mathur & Goel., Chartered Accountants as auditors at the ensuing Annual General Meeting of the company.

ACCOUNTS AND AUDIT REPORT

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

Reply to Para (iv) of the Main Auditors Report

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