

24TH ANNUAL REPORT (2010-2011)



MAHAAN FOODS LIMITED



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Board of Directors	Shri Sanjeev Goyal Chairman & Managing Director Smt. Saloni Goyal Shri Aditya Goyal Shri Anand Sekhri Shri Aseem Chawla Shri Sanjay Kumar Jain Shri Rajendra Kumar Dhall Smt. Harmeet Kaur Shri Alok Goyal Smt. Meera Aggarwal Smt. Parul Seth
Bankers	State Bank of Patiala HDFC Bank
Secretary	Ms. Shweta Arora
Auditors	Messrs. D. D. Nagpal & Co. Chartered Accountants Room No. H, 6 th 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, 1 st Floor, M-Block Market, Greater Kailash – II, New Delhi – 110048
Works	9 KM Stone, Pipli to Ambala, G. T. Karnal Road, Vill. Masana, Kurukshetra – 136118 Haryana Village Kunja, Rampur Road, Paonta Sahib, Solan, Distt. Sirmour, Himachal Pradesh – 173025
Registrar & Transfer Agents	M/s Alankit Assignments Limited 2 E/ 21, Jhandewalan Extension, Karol Bagh, New Delhi - 110055



MAHAAN FOODS LIMITED

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the shareholders of Mahaan Foods Limited will be held at the Registered Office of the Company at Hotel Yamuna, Paonta Sahib – 173025, Himachal Pradesh on Friday, 30th December, 2011 at 3.00 P.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Harmeet Kaur, Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri Anand Sekhri, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and authorize the Board of Directors to fix their remuneration. M/s. D.D. Nagpal & Co., Chartered Accountants, Delhi, retire and are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Aditya Goyal, who was appointed by the Board as an Additional Director with effect from 19th October, 2011 and who holds the office upto the date of the ensuing 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 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 Alok Goyal, who was appointed by the Board as an Additional Director with effect from 19th October, 2011 and who holds the office upto the date of the ensuing 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 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."



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

"RESOLVED THAT Smt. Parul Seth, who was appointed by the Board as an Additional Director with effect from 19th October, 2011 and who holds the office upto the date of the ensuing 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 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."

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

"RESOLVED THAT Smt. Meera Aggarwal, who was appointed by the Board as an Additional Director with effect from 19th October, 2011 and who holds the office upto the date of the ensuing 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 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: 1st December, 2011



MAHAAN FOODS LIMITED

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL NOT VOTE EXCEPT ON A POLL THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING .**
2. The Register of Members and Share Transfer Books of the Company will remain closed on Wednesday, 28th December, 2011 to Friday, 30th December, 2011 (both days inclusive).
3. In terms of Clause 49 of the Listing Agreement, the brief resume of Shri Aditya Goyal, Shri Alok Goyal, Smt. Parul Seth and Smt. Meera Aggarwal forms part of the Notice. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business set out as above is annexed hereto.
4. The Register of Director's Shareholdings, maintained under Section 307 of the Companies Act, 1956, shall be open for inspection for the members at the Annual General Meeting.
5. Members/Proxies are requested to bring their copy of Annual Report to the Meeting as extra copies will not be distributed.
6. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those holding 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 whose name is mentioned in the first place 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. Members desiring any information as regards accounts and operations are requested to forward their queries to the Company at its Corporate Office at least seven days prior to the date of the meeting so that the information is made available at the meeting.
10. The Members are requested to notify change, if any, in their addresses to the Registrar and Transfer Agent of the Company, i.e Alankit Assignment Limited, 2E/ 21, Alankit House, Jhandewalan Extension, New Delhi – 110055,
11. Annual Listing Fee for the year 2011-12 has been paid to the Bombay Stock Exchange Limited and the Delhi Stock Exchange Association Limited wherein shares of the Company are listed.
12. **All the members are requested to fill in their e-mail addresses and their contact details in the form annexed hereto and send the same to the Company Secretary/ Registrar & Share Transfer Agent of the company.**
13. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 24TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**



MAHAAN FOODS LIMITED

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 are given below:-

Item No.5

Name of the Director	Shri Aditya Goyal
Date of Birth	18 th November, 1990
Qualifications	Graduation in Finance & Economics from Carnegie Mellon University , United States of America
Experience	Nil
Outside Directorship	Nil
Membership/ Chairmanship of the Board Committees of the Companies	Nil
No. of shares held (both own or held by/ for other persons on a beneficial basis) in the Company	97175

Item No. 6

Name of the Director	Shri Alok Goyal
Date of Birth	8 th June, 1972
Qualifications	1. Engineer 2. MBA in Finance & Marketing, USA
Experience	Over 10 years experience in the field of Marketing, Finance & International Business.
Outside Directorship	1) M/s Indian Petroleum Services Private Limited 2) M/s Aries Engineers & Consultants Private Limited
Membership/ Chairmanship of the Board Committees of the Companies	Nil
No. of shares held (both own or held by/ for other persons on a beneficial basis) in the Company	Nil

**MAHAAN FOODS LIMITED****Item No. 7**

Name of the Director	Smt. Parul Seth
Date of Birth	28 th June, 1979
Qualifications	Three year Diploma Course in Interior Designing from Meera Bai Polytechnic for Women, New Delhi
Experience	2 years experience in Construction and Interior Designing
Outside Directorship	Nil
Membership/ Chairmanship of the Board Committees of the Companies	Nil
No. of shares held (both own or held by/ for other persons on a beneficial basis) in the Company	Nil

Item No. 8

Name of the Director	Smt. Meera Aggarwal
Date of Birth	6 th October, 1972
Qualifications	B. A .(P)
Experience	Social worker
Outside Directorship	M/s Sangam PetroPlast Private Limited
Membership/ Chairmanship of the Board Committees of the Companies	Nil
No. of shares held (both own or held by/ for other persons on a beneficial basis) in the Company	Nil



MAHAAN FOODS LIMITED

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

Item No. 5 to 8

The Board of Directors of the Company at its meeting held on 19th October, 2011 inducted Shri Aditya Goyal, Shri Alok Goyal, Smt. Parul Seth and Smt. Meera Aggarwal as Additional Directors and their appointments are being regularized as Directors in the ensuing Annual General Meeting 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 recommends their appointment as Director of the Company in the best interests of your Company

The Board recommends passing of the Ordinary Resolutions at S. No. 5, 6, 7 and 8 of the Notice by the shareholders of the Company.

Except Shri Sanjeev Goyal, Smt Saloni Goyal, Shri Aditya Goyal, Shri Alok Goyal, Smt. Parul Seth and Smt. Meera Aggarwal, no other Director of the Company is in any way concerned or interested in the proposed resolutions.

By order of the Board of Directors

Sd/-

(Shweta Arora)
Company Secretary

Place: New Delhi

Date: 1st December, 2011



MAHAAN FOODS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the year ended as on 31st March, 2011.

OPERATING RESULTS

The summarized financial results for the year ended 31st March, 2011 and for the previous year ended 31st March, 2010 are as follows:

(Rs. in lakhs)

Particulars	2010 - 11	2009-10
Sales & Other Income	11939.20	10975.1
Profit before interest and depreciation & taxes	234.54	217.17
Profit/ (Loss) before taxes	19.41	0.45
Taxation	8.40	0.56
Profit/ (Loss) after taxes	11.01	(0.11)

During the year, your Company has dealt with quality issues of its products and is getting a positive feedback from its consumers. The Marketing team of the Company is also geared up to strengthen the marketing base of the company.

The Memorandum of Family Settlement (MOFS) involving your company is still under implementation under the supervision of Mediator appointed by the Hon'ble Company Law Board and efforts are being made by all of its constituents to expedite the same.

DIVIDEND

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 Practicing Company Secretary, confirming compliance or otherwise of the conditions of corporate governance as stipulated under clause 49 of the Listing Agreement, forms part of the Annual Report.

DIRECTORS

Out of the present Directors, Shri Anand Sekhri and Smt Harmeet Kaur, retire by rotation, and, being eligible, offer themselves for re-appointment. Your Directors recommend re-appointment of Shri Anand Sekhri and Smt Harmeet Kaur as Directors on the Board.

Shri Aditya Goyal, Shri Alok Goyal, Smt. Parul Seth and Smt. Meera Aggarwal were appointed as Additional Directors by the Board of Directors at its meeting held on 19th October 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, they hold office as Director only up to the date of ensuing Annual General Meeting of the Company. The Board recommends that their appointment is regularized as Directors at the ensuing Annual General Meeting of the Company.



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RECONSTITUTION OF COMMITTEES

The Board at its meeting held on 10th May, 2011 has reconstituted its Audit Committee, Remuneration Committee and Shareholders Grievance Committee as follows:

Audit Committee

Shri Anand Sekhri	Chairman, Independent & Non Executive Director
Shri Sanjeev Goyal	Member, Executive Director
Shri Sanjay Kumar Jain	Member, Non Executive Director
Smt Harmeet Kaur	Member, Non Executive Director

Remuneration Committee

Shri Rajender Kumar Dhall	Chairman, Independent & Non Executive Director
Shri Anand Sekhri	Member Non Executive Director
Shri Sanjay Kumar Jain	Member, Non Executive Director

Shareholders Grievance Committee

Smt. Saloni Goyal	Chairman, Non Executive Director
Shri Anand Sekhri	Member, Non Executive Director
Shri Sanjay Kumar Jain	Member, Non Executive Director

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

M/s D D Nagpal & Co., Chartered Accountants have expressed their willingness to be re-appointed as Auditors of the Company. They have also furnished a certificate u/s 224 (1B) of the Companies Act, 1956 and are eligible for re-appointment. Your Directors recommend appointment of M/s D.D. Nagpal & Co., 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.

Reply to Para (vi) of the Main Auditors Report

Letters for confirmation of balances as appearing under debtors and creditors, advances to the suppliers have been sent by the Company. Some of the parties have replied confirming the