

26th ANNUAL REPORT
(2012-2013)



MAHAAN FOODS LIMITED

**Board of Directors**

Shri. Sanjeev Goyal Chairman & Managing Director
Smt. Harmeet Kaur
Smt. Meera Aggarwal
Shri Y S Rawat

Bankers

State Bank of Patiala
HDFC Bank

Secretary

Ms. Shweta Arora

Auditors

M/s 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 – II,
New Delhi – 110048

Works

9 KM Stone, Pipli to Ambala,
G. T. Karnal Road, Village. 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, Alankit House, Jhandewalan Extension,
New Delhi - 110005

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the shareholders of Mahaan Foods Limited will be held at Hotel Grand Riviera, Poanta Sahib – 173025, Himachal Pradesh on Tuesday, 31st December, 2013 at 10.00 A.M to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 Smt. Meera Aggarwal, Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. D.D. Nagpal & Co., Chartered Accountants (Registration No. 006413N), as Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration,

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Youdhveer Singh Rawat, who was appointed by the Board as an Additional Director with effect from 1st December, 2012 and who holds the office up to 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, 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."

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

"RESOLVED THAT pursuant to provisions of Section 17 and other applicable provisions of the Companies Act, 1956 and the Companies Act 2013, as may be notified if any, and subject to confirmation of The Regional Director, Northern Region, Ministry of Corporate Affairs and/or any other statutory authority as may be prescribed, the registered office of the Company be shifted from "State of Himachal Pradesh " to the "National Capital Territory of Delhi" and that clause II of Memorandum of Association of the Company be altered by substituting the word "National Capital Territory of Delhi" in place of "State of Himachal Pradesh " and wherever the word "State of Himachal Pradesh " appears, the same be substituted by "National Capital Territory of Delhi."

RESOLVED FURTHER THAT on the aforesaid resolution becoming effective, the registered office of the company be shifted from State of Himachal Pradesh to any place in the National Capital Territory of Delhi as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to obtain confirmation of The Regional Director, Northern Region, Ministry of Corporate Affairs and/or any other statutory authority as may be prescribed under the provisions of the Companies Act, 1956 and the Companies Act 2013, as may be notified if any, and to do all incidental deeds and things as may be required for the above purpose."

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

“RESOLVED THAT in supersession to the Resolution passed at the Annual General Meeting of the Company held on September 30, 2000 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of paid up capital of the Company and its free reserves not set apart for any specific purpose, provided that the maximum amount of moneys to be borrowed by the Board shall not exceed Rs. 50,00,00,000/- (Rupees Fifty Crore), excluding interest, commitment charges, liquidated damages, premia on redemption, at any one time.”

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may consider necessary and expedient, to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith and incidental hereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act 2013, as may be notified if any, Article 3 of the Articles of Association of the Company be altered by substituting the following in place of the existing Article 3:

Article 3. The Authorized Share Capital of the Company shall be as mentioned at Clause V of the Memorandum of Association of the Company. The Company shall have the powers to increase, consolidate, sub-divide, reduce or otherwise alter its Share Capital subject to the provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may consider necessary and expedient, to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith and incidental hereto.”

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

“RESOLVED THAT pursuant to the provisions of Section(s) 13, 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act 2013, as may be notified, if any, and such approvals, as may be necessary, the existing Clause V of the Memorandum of Association of the Company relating to the Share Capital be substituted with the following clause:

‘V. The Authorised Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crore) divided into 1,20,00,000/- (One Crore Twenty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may consider necessary and expedient, to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith and incidental hereto.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution

“RESOLVED THAT pursuant to Section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 2013 as may be notified and subject to necessary approvals as may be required from stock exchange, SEBI or any other statutory or prescribed authorities, the Board of Directors of the Company and any Committee constituted thereof by the Board, be and is hereby authorized to offer further equity shares to the shareholders of the company in such proportion and at such a price and on such terms and conditions as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby also authorized to issue any other permissible instruments (not amounting to public issue of equity shares) upto an overall limit of Rs 20 crore (Rupees Twenty Crore) for raising funds for the purpose of funding the expansion plans of the company subject to the necessary approvals as may be required from Stock Exchanges, SEBI or any other Statutory or other prescribed authorities as may be required in this connection.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may consider necessary and expedient, to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith and incidental hereto.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, 311, 316 and 317 read with schedule XIII and all other applicable provisions of Companies Act, 1956, if any, (including any statutory modification or re – enactment thereof) and such other approvals/sanctions as may be necessary, the company hereby approves the appointment of Shri Sanjeev Goyal as Managing Director of the company for a period of three years with effect from 31st August, 2013 on the terms and conditions including as to remuneration, as approved by the Remuneration Committee of the Board of Directors of the company and as set out in the explanatory statement which shall deemed to form part thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and/or revise the terms and conditions of the said appointment and/ or remuneration of Shri Sanjeev Goyal, Managing Director so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modification thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto.

RESOLVED FURTHER THAT in the event of any re-enactment or recodification of the Companies Act, 1956 or the Income Tax Act, 1961 or the Amendment thereto, this Resolution shall continue to remain in force and the reference to various provisions of the Companies Act, 1956, or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.”

By the orders of the Board of Directors

Place : New Delhi
Date : 5th December, 2013

Sd/-
(Sanjeev Goyal)
Chairman & Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS OF THE COMMENCEMENT OF THE MEETING**
2. The Register of Members and Share Transfer Books of the Company will remain closed on 30th December, 2013 to 31st December, 2013 (both days inclusive).
3. In terms of Clause 49 of the Listing Agreement, a brief resume of Shri Youdhveer Singh Rawat forms part of the Notice. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business set out as above is annexed hereto.
4. All the documents referred in the accompanying Notice along with the Register of Director's Shareholdings, maintained under Section 307 of the Companies Act, 1956, respectively, 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 2012-2013 has been paid to the Bombay Stock Exchange and the Delhi Stock Exchange Limited. The Company has not paid Annual Listing fees to Ludhiana Stock Exchange Ltd for the year 2012-2013.
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 26TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

Item No. 4

Name of the Director	Shri Youdhveer Singh Rawat
Date of Birth	10/10/1964
Qualifications	Graduate
Experience	Having corporate working experience of more than 15 years
Outside Directorship	M/s Allianz Tape & Trade Private Limited M/s Tamilnadu Chromates and Chemicals Limited M/s Mega Search Consultancy Private Limited M/s Frontius Pharmaceuticals & Chemicals 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

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4.**

The Board of Directors of the Company appointed Shri Youdhveer Singh Rawat as Additional Director with effect from 1st December, 2012 and his appointment is being regularized as Director in the ensuing Annual General Meeting of the Company. The Company has received a notice under section 257 of the Companies Act, 1956 from a shareholder of the company with respect to the appointment of Shri Youdhveer Singh Rawat and the Board recommends his appointment as Director of the Company.

None of the Directors or any Key Managerial Personnel or their relatives, except Shri Youdhveer Singh Rawat, is concerned or interested in any manner as provided under Section 102 of the Companies Act, 2013

Item No. 5

Your company's works and registered office is located at Paonta Sahib in the State of Himachal Pradesh and your company's corporate office is situated at New Delhi in the National Capital Territory of Delhi. The company's marketing department and other corporate functions are carried out from corporate office at New Delhi. Over the years, there has been constant upswing in the business activities of your company and it is felt that better economies can be achieved in case the registered office of the

company is also located in National Capital Territory of Delhi. Shifting the registered office of your company from “State of Himachal Pradesh” to “National Capital Territory of Delhi” will result in improved coordination and better information flow besides adding economy and efficiency to the operations of the company.

The approval of shareholders is required for the shifting the registered office from State of Himachal Pradesh to the National Capital Territory of Delhi and for this purpose it is sought to move the special resolution set out in item no.5 of this Notice. The Board recommend passing of the special resolution by the shareholders of the company.

None of the Directors or any Key Managerial Personnel or their relatives, is concerned or interested in any manner as provided under Section 102 of the Companies Act, 2013

Item No.6

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company cannot, except with the consent of the Company in General Meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate paid-up capital and free reserves of the Company. At the Annual General Meeting of the Company held on 30th September, 2000, the Board of Directors of the Company was empowered to borrow only to the extent of Rs. 20 crores. In view of the proposed expanding operations of the Company, the Board of Directors proposes to increase the said limit to Rs. 50 crores (Rupees Fifty Crores).

The Board recommends for passing of the resolution as Special Resolution in the best interests of the Company.

None of the Directors or any Key Managerial Personnel or their relatives, is concerned or interested in any manner as provided under Section 102 of the Companies Act, 2013

Item No.7

The present Article 3 in the Articles of Association of your company specifies the amount of existing Authorized Share Capital of the company as Rs 4 crores. The existing Article 3 is proposed to be altered to specify that the Authorized Share Capital of the company shall be the same as specified in Clause V of the Memorandum of Association of the company without mentioning the amount of share capital.

Pursuant to Section 31 of the Companies Act, 1956, the Articles of Association of the Company can be altered by taking approval of the shareholders.

The Board recommends the resolution for the approval of the shareholders by way of a Special Resolution.

None of the Directors or any Key Managerial Personnel or their relatives, is concerned or interested in any manner as provided under Section 102 of the Companies Act, 2013

A copy of the Articles of Association of the Company together with the proposed alterations are available for inspection at the registered office of the company between 10 A.M to 1 P.M on any working day of the company.

Item No.8

The existing Clause V of Memorandum of Association specifies the present Authorized Share Capital of your Company. The Authorised Share Capital of your Company is proposed to be increased from Rs. 4,00,00,000/- (Rupees Four Crore) to Rs. 12,00,00,000/- (Rupees Twelve Crore) to augment the additional capital required for funding the expansion plans of the company.

As per the provisions of the Section 94 of the Companies Act, 1956, approval of the shareholders is required for amending the Clause V of the Memorandum of Association of the Company.

The Board recommends the resolution for the approval of the shareholders by way of a Special Resolution.

None of the Directors or any Key Managerial Personnel or their relatives, is concerned or interested in any manner provided under Section 102 of the Companies Act, 2013

A copy of the Memorandum of Association of the Company together with the proposed alterations are available for inspection at the registered office of the company between 10 A.M to 1 P.M on any working day of the company.

Item No.9

The Board of Directors of the Company at its meeting held on 5th December, 2013 has considered various options available to the company for raising funds of the company for augmenting the expansion plans of the Company including the option to offer further equity shares to the existing shareholders of the company in such proportion and at such a price and on such terms and conditions as may be decided by the Board of Directors of the company subject however to the approval of the Stock Exchanges, SEBI or any other statutory or other authorities as may be required.

The shareholders approval is required for enabling the Board of Directors of the company to issue right shares and any permissible securities (not amounting to public issue) subject however to any statutory approvals as may be required

The Board recommends the resolution for the approval of the shareholders by way of a Special Resolution.

None of the Directors or any Key Managerial Personnel or their relatives, is concerned or interested in any manner provided under Section 102 of the Companies Act, 2013

Item No.10

Shri Sanjeev Goyal was appointed as Managing Director of the company with effect from 1st September, 2010 for a period of three years. In view of his vast experience in the dairy industry and on the basis of recommendation made by the Remuneration Committee, the Board of Directors in their meeting held on 12th September, 2013 have subject to the consent and approval of the shareholders and other statutory approval as may be necessary, approved his appointment as Managing Director for a further period of three years effective from 31st August, 2013 with no remuneration for the time being. However the Remuneration Committee and Board of Directors of the company has decided that he may be paid such remuneration as may be admissible under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 as may be notified during his tenure as Managing Director of the company .

The shareholders approval is required for appointment of Shri Sanjeev Goyal as Managing Director and also for enabling the Board of Directors of the company to pay him such remuneration as may be admissible under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 as may be notified during his tenure as Managing Director of the company.

Shri Sanjeev Goyal shall not be liable to retire by rotation.

The Explanatory Statement and the resolution at item no. 10 of the Notice may be treated as a abstract of the terms and memorandum of interest pursuant to the provisions of Section 302 of the Companies Act, 1956.

The Board recommends the resolution for the approval of the shareholders by way of a Special Resolution.

Except Shri Sanjeev Goyal and his relatives, none of the other Directors or any Key Managerial Personnel or their relatives, is concerned or interested in any manner provided under Section 102 of the Companies Act, 2013

By order of the Board of Directors

Place: New Delhi
Date: 05/12/2013

Sd/-
(Sanjeev Goyal)
Chairman & Managing Director