

28th 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

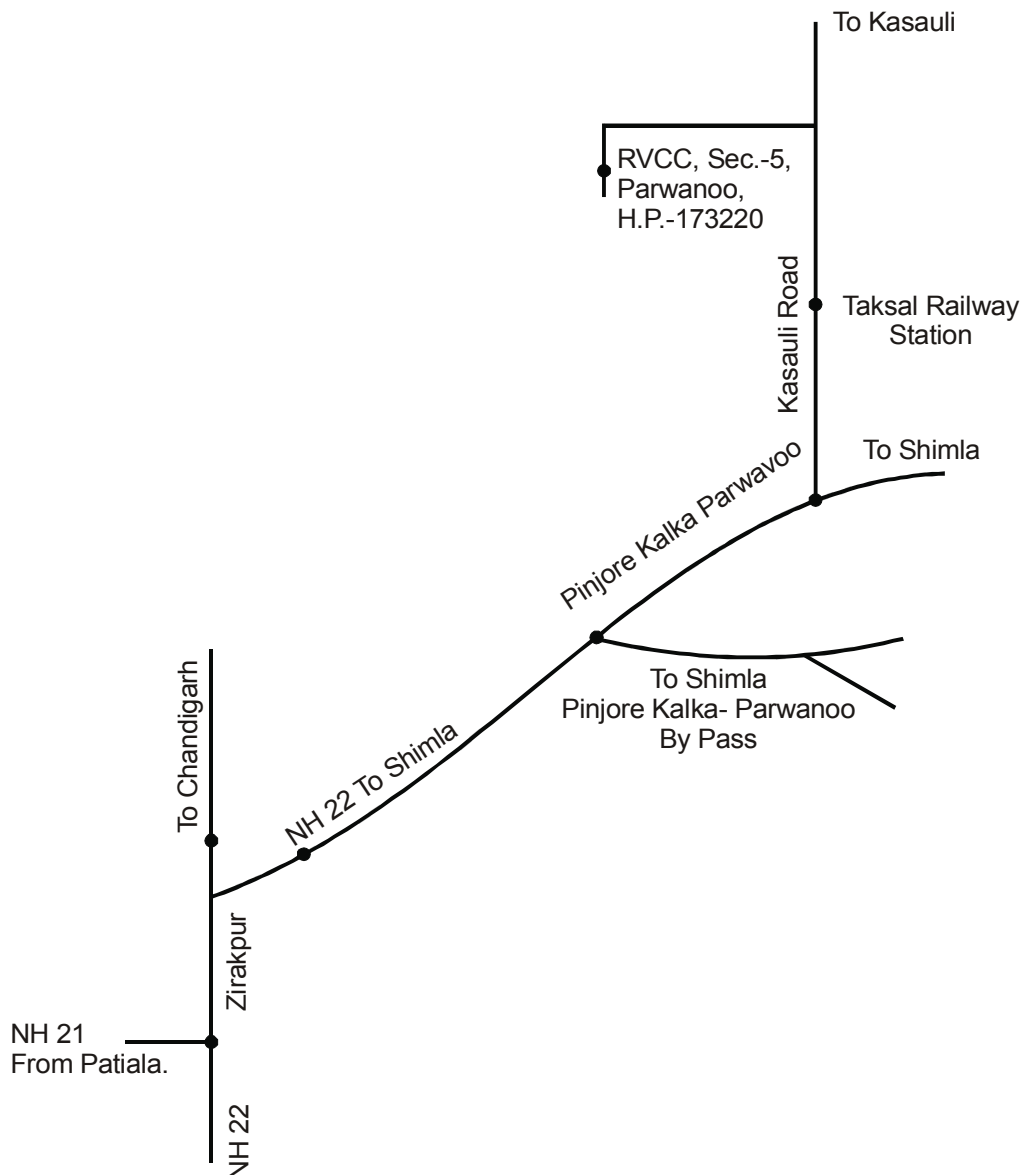
1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Special Business set out in Item Nos. 4 to 8 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF (ONLY ON 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. 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.
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 or 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.
- 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/](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 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.
- 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 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.

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.