

13th Annual Report 1999-2000



MAHAAN FOODS LIMITED

**BOARD OF DIRECTORS**

Shri Amar Nath Goyal	Chairman
Shri Rajiv Goyal	Managing Director
Shri Sanjeev Goyal	Director
Smt. Shashi Goel	Director
Dr. K.K. Khurana	Director
Shri H.C. Gandhi	Director

REGD. OFFICE & WORKS

Village Kunja
Rampur Road
Paonta Sahib
Distt : Sirmour.
Himachal Pradesh (INDIA)
Phone : (01704) - 22313
Fax No.: (01704) - 22630

CORPORATE & HEAD OFFICE

78/3, Janpath
New Delhi - 110 001 (INDIA)
Phone : (011) 3353191-94
Fax No. : (011) 3718056

AUDITORS

M/s Dawar Mathur & Goel
Chartered Accountants
41, Vivekanand Puri,
Delhi - 110007.

BANKERS

State Bank of Patiala

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MAHAAN FOODS LIMITED

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of the Company will be held on Saturday, the 30th September, 2000 at 02.00 P.M. at the registered office of the company at Milk Plant, Village Kunja, Rampur Road, Paonta Sahib, Distt. Sirmour, (H.P.) to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the annual statement of account for the year ended 31st March, 2000 and the report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Smt. Shashi Goel, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors 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

ORDINARY RESOLUTION:

"RESOLVED THAT in partial modification of the earlier resolution/s passed in this context, the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, 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 the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed shall not at any one time exceed the sum of Rs.30 Crores only."

By Order of the Board
MAHAAN FOODS LIMITED

RAJIV GOYAL
Managing Director

Place : New Delhi
Dated : 30.06.2000

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy. Proxies in order to be effective must be lodged at the Registered Office of the Company at least 48 hours before the meeting. A proxy need not be a Member of the Company.
2. Register of members and Share transfer Book of Company will remain closed from 22.09.2000 to 30.09.2000 (both days inclusive.)
3. a) All members are requested to quote their Folio Number in all future correspondence with the Company.
b) All members are requested to notify their change of address to the Company.
c) M/s Alankit Assignments Limited is the Company's Share Transfer Agent. Shareholders may correspond directly at the following address :

M/s Alankit Assignment Ltd.
205-206, Anarkali Market, Jhandewalan Extension
New Delhi - 110 055. Telephones: 3610220-24

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.4

Section 293(1)(d) of the Companies Act, 1956 stipulates that the Board of Directors of a Public Company shall not, except with the consent of the shareholders in General Meeting, borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan/s obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose.

In the Extra-ordinary General Meeting of the Members of the Company held on 15th July, 1994 at the registered office of the Company at Milk Plant, Paonta Sahib - 173025 (H.P.) consent of the Company was accorded to the Board of Directors for borrowing any sum or sums of moneys in excess of the paid-up capital and its free reserves such that the total amounts so borrowed by the Board shall not at any time exceed the limit of Rs.15 Crores at any one point of time. Keeping in view the present business needs it is now proposed to increase this limit from Rs.15 Crores to Rs.30 Crores.

The Board of Directors commend the Resolution for consideration and approval of the Members.

None of the Directors is, in any way, directly or indirectly, concerned or interested in this Resolution.

By Order of the Board
MAHAAN FOODS LIMITED

RAJIV GOYAL
Managing Director

Place : New Delhi
Dated : 30.06.2000

**MAHAAN FOODS LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2000 and Auditors' Report thereof.

	(Rs./ Lacs)	
	<u>1999-2000</u>	<u>1998-99</u>
FINANCIAL RESULTS		
Sales Turnover & Other Income	6428.76	5682.48
Operating Profit	114.86	110.85
Interest	84.57	74.45
Depreciation	23.90	21.05
Net Profit before Tax	6.39	15.35
Provision for Tax	1.34	1.05
Net Profit after Tax	5.05	14.30
APPROPRIATIONS :		
Proposed Dividend	-	-
Transfer to General Reserve	5.05	14.30

DIVIDENDS

In view of the inadequate profits your directors are not in a position to recommend any dividend for the year.

OPERATIONS

Your directors are pleased to inform you that despite the adverse marketing conditions faced by your Company during the year in retrospect, the turnover of your company for the year ended 31.03.2000 reached a new height and was recorded at Rs.643 million rupees compared to Rs.568 million during the previous year. The post tax profits stood at Rs.5.05 lacs compared to Rs.14.30 lacs recorded last year. The post tax profits could not rise in line with the growth of turnover due to adverse market conditions coupled with the increased competition for the product line of the Company.

Your directors are concerned about the low level of profitability and are taking effective steps to increase productivity and implement cost control measures without sacrificing the quality of the products.

DIRECTORS

Smt. Shashi Goel retires by rotation and being eligible offers herself for re-appointment.

AUDITORS

M/s. Dawar Mathur & Goel, Chartered Accountants, New Delhi retire at the ensuing general meeting and are eligible for re-appointment. The observations made by auditors in their report are self-explanatory and do not call for any further comment.

DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956 read with the Companies Acceptance of Deposits Rules, 1975 as modified from time to time.

PARTICULARS OF EMPLOYEES

The Board of Directors wish to express their appreciation to all employees of the Company for their outstanding contribution to the operations of the Company during the year.

Particulars of employees in receipt of remuneration as contemplated under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are annexed at Annexure - I.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of energy and technology absorption, foreign exchange earning and outgo are given in Annexure - II of this report.



MAHAAN FOODS LIMITED

ACKNOWLEDGMENTS

The Directors wish to place on record their gratitude to all Financial Institutions, Banks, Government Authorities for their valuable support. Your Directors also wish to place on record their gratitude to the valued shareholders of the Company. The Board also records their appreciation to the contribution of their dedicated employees and dealers of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 30.06.2000

A. N. GOYAL
Chairman

ANNEXURE - I TO DIRECTORS' REPORT

Statement of particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Persons employed throughout the year :

Sl. No.	Name	Age (Yrs.)	Designation/ Date of Commencement of employment	Remuneration (Rs.)	Qualification	Experience (Yrs.)	Last Organisation	Employment Position Held	Duration (Yrs)
1.	Mr. Rajiv Goyal	34	Managing Director 1.1.96	7,50,545	M B A (Finance & Marketing)	12 yrs.	Mahaan Dairies Limited	Chief Executive	8.5 yrs.

Note : There was no employee who was employed for any part of the year and was in receipt of the remuneration as prescribed in Section 217 (2A)(i).

ANNEXURE - II TO DIRECTORS' REPORT

Statement of particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

In addition to steps already taken by your Company to conserve energy, efforts are continuing to improve further by use of latest technology.

		Current Year	Previous Year
A. Power and fuel consumption			
I. Electricity			
a. Purchased			
Total units (in lacs)		19.55	17.63
Total amount (Rs. in lacs)		41.94	34.92
Rate/Unit (Rs.)		2.15	1.98
b. Own generation			
i. Through diesel generator			
Units (in lacs)		2.95	1.88
Units per ltr. of diesel oil			
Cost/Unit (Rs.)		2.70	2.50
ii. Fuel used in Boiler			
Quantity (in tonnes)		11256	9872
Total Cost (Rs. in lacs)		126.78	107.75
Average Rate (Rs./tonnes)		1126	1091
II. Consumption per unit of production			
Products (Milk Products/tonnes)		7127	6309
Electricity / tonnes (KWH)		274	279
Fuel / tonnes		1.58	1.56

B. TECHNOLOGY ABSORPTION

Efforts are continuing in this direction. Our products continue to get preferential acceptance. R & D is continuing endeavoring to upgrade its manufacturing technology to improve Plant capacity.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i. Foreign Exchange earnings	-	-
ii. Foreign exchange outgo	Rs. 4,05,90,832	Rs. 2,16,393

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 30.06.2000

A. N. GOYAL
Chairman



MAHAAN FOODS LIMITED

DAWAR MATHUR & GOEL
CHARTERED ACCOUNTANTS
 41, VIVEKANAND PURI,
 DELHI - 110 007.

AUDITORS' REPORT

The Members of Mahaan Foods Limited.

We have audited the attached Balance Sheet of Mahaan Foods Limited as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred in paragraph 1 above, we state that :
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. 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 such books.
 - iii. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - iv. In our opinion the Balance Sheet and Profit and Loss account comply with the accounting standards referred in sub section (3C) of section 211 of the Companies Act, 1956.
 - v. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a. insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31.03.2000, and
 - b. insofar as it relates to the Profit and Loss Account, of the PROFIT of the company for the year ended on that date.

For DAWAR MATHUR & GOEL
 Chartered Accountants

Place : New Delhi
 Dated :30.06.2000

ARUN K. GOEL
 Partner

REG. : MAHAAN FOODS LIMITED

Annexure to Auditors' Report dated 30.06.2000

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. According to the information and explanations given to us the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. According to the information and explanations given to us, the stocks of finished goods, stores, spare parts and raw material have been physically verified during the year by the management at reasonable intervals.
4. In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks as compared to the book records which were not material and have been properly dealt within the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles , and is on the same basis as in the preceding year.
7. The Company has not taken any loan from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act 1956 or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.