

**30th ANNUAL REPORT  
(2016-17)**



**MAHAAN FOODS LIMITED**

Board of Directors	Mr. Sanjeev Goyal, Chairman & Managing Director Mr. Achal Kumar Khaneja Mrs. Moutushi Sengupta Mrs. 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 30th Annual General Meeting of the shareholders of Mahaan Foods Limited will be held at RVCC, Sector-5, Parwanoo, Himachal Pradesh-173220 on Thursday, 28th September, 2017 at 2:00 P.M. to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March, 2017 and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Saloni Goyal (DIN: 00400832), Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. Appointment of Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the 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 2018 on such remuneration, as may be decided by the Board of Directors of the Company in consultation with Statutory Auditor."

#### SPECIAL BUSINESS

##### 4. Approval of Related Party Transaction

To consider and if thought fit to pass with or without modifications, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) and also pursuant to the consideration and approval of the Audit Committee and the Board of Directors vide Resolutions passed in its meetings held on 12.08.2017, the consent of the Shareholders of the Company be and is hereby accorded to the Related Party Transaction as entered by the Company as per details as set out in the explanatory statement annexed to the notice and the Board of Directors of the Company be and is hereby authorized to perform and execute all such actions as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

**By the orders of the Board of Directors**

**Sd/-**

**(Vijay Gupta)**

Company Secretary cum Compliance Officer

**Membership No.:A29731**

Place: New Delhi

Date: 1st September, 2017

**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 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 IS ENCLOSED.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more 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. 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.
5. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. 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.
7. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given below in this Notice. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately
8. 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.
9. The Register of Members and Share Transfer Books of the Company will remain closed on 23rd September, 2017 to 28th September, 2017 (both days inclusive) for the purpose of AGM.
10. 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.
11. 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 intimate such changes to the Company or the Registrar and Transfer Agent of the Company.
12. Members seeking any information or clarification on Accounts are requested to send written queries to the Company at least 7 days before the date of the meeting to enable the management to keep the required information available at the Meeting.
13. 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.
14. Copies of the Annual Report 2017 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 2017 are being sent by the permitted mode.
15. Members may also note that the Notice of the 30th AGM and the Annual Report 2017 will be available on the Company's website, [www.mahaanfoods.com](http://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](mailto:investor@mahaanfoods.com).
16. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is given hereunder. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
17. 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 are required to submit their PAN details to the Company.
18. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
19. 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.
20. Annual Listing Fee for the year 2017-2018 has been paid to the BSE Limited wherein shares of the Company are listed.
21. No gift(s) shall be distributed at the ensuing 30th Annual General Meeting of your company.

**Voting through Electronic Means - Remote E-Voting**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (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 ballot 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 ballot paper
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again
- IV. The remote e-voting period commences on Monday, 25<sup>th</sup> September 2017 (9:00 am) and ends on Wednesday, 27<sup>th</sup> September, 2017 (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. 21<sup>st</sup> September, 2017, 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. The instructions for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email 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.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) 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.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Mahaan Foods Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (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](mailto:investor@mahaanfoods.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
    - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
 

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. 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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. 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.
 

Note : Shareholders who forgot the user details/password can use forgot user details/password? or physical user reset password? option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

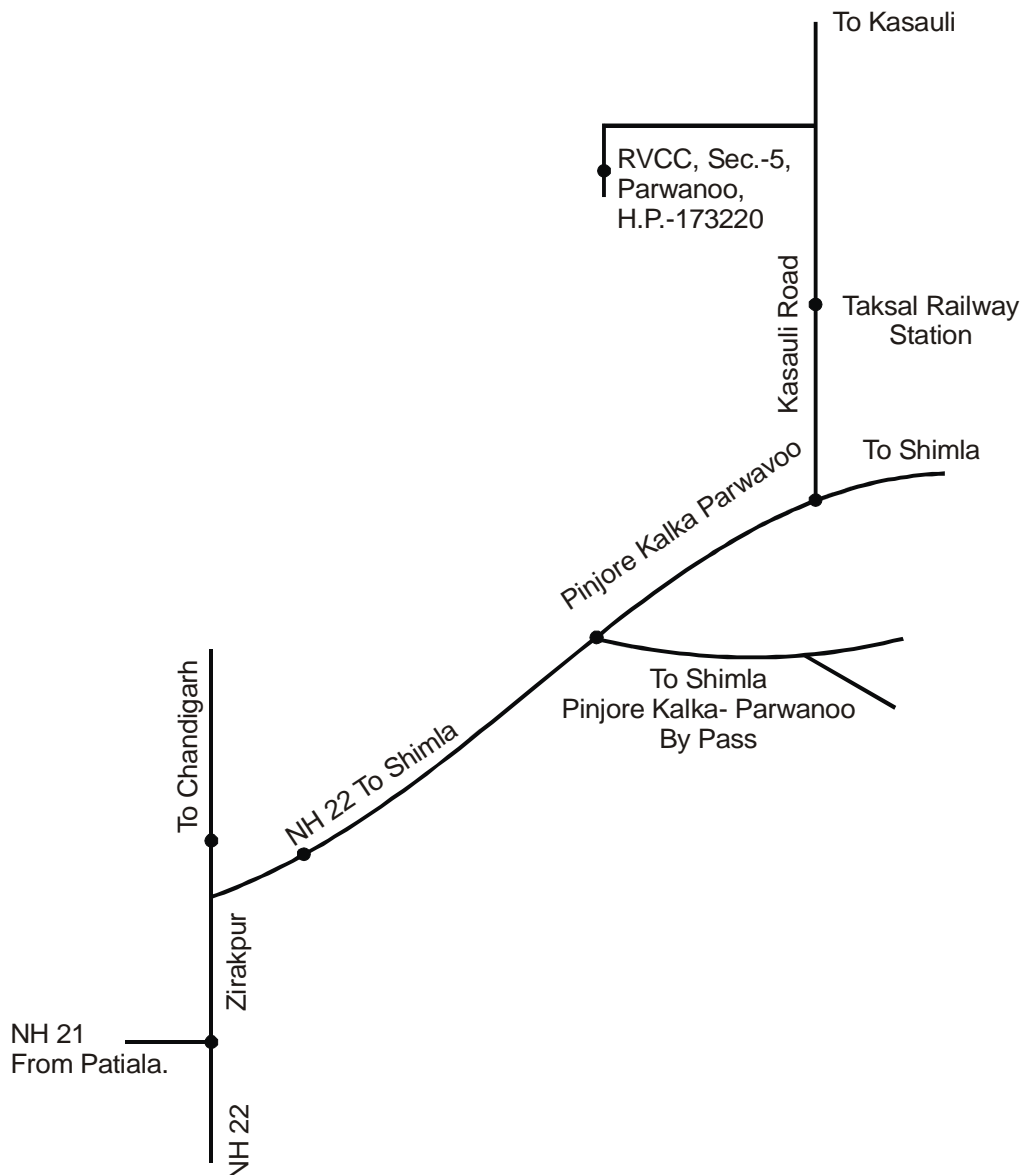
In case shareholders are holding shares in demat mode, USER ID is the combination of (DPID+CLIENT ID)

In case shareholders are holding shares in physical mode, USER ID is the combination of (EVEN NO+FOLIO NO.)
- VIII. 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).
- IX. 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 of 21<sup>st</sup> September 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21<sup>st</sup> September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/ RTA.
 

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password 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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Deepak Bansal, Company Secretary in Practice (CP 7433) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting 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 "Ballot 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 after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the the Company's website: [www.mahaanfoods.com](http://www.mahaanfoods.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

The route map of the venue of the AGM is given herein below:



Relevant details, in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking Appointment/Re-appointment at the ensuing 30th Annual General Meeting are as follows:

<b>Name of the Director</b>	<b>Mrs. Saloni Goyal</b>
DIN	00400832
Date of Birth	4th December, 1965
Date of Appointment	27.09.2014
Qualifications	PG in International Trade
Expertise in Specific Functional Area	Mrs. Saloni Goyal is having corporate experience of around 17 years
Name of the listed entities in which the person also hold the directorship and the membership of committees of the board	NIL
Shareholding in the Company	516715 (14.76%) Equity Shares of Re.10/- each
Relation with other Directors of the Company	Mrs. Saloni Goyal is wife of Mr. Sanjeev Goyal, Managing Director

#### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 4**

As per Section 188 of the Companies Act, 2013 read with rule 15 of the Companies ( Meeting of Board and its Powers ) Rules 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015 prior approval of Audit Committee, the Board of Directors and shareholders is required before entering into a related party transaction by the Company with a related party if the proposed transaction is beyond a threshold limit prescribed under Section 188 of the Companies Act, 2013 and is also a material transaction in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015.

As required under Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014, the relevant information is given below: -

<b>Particulars</b>	<b>Details</b>
Name of the Related Parties	Mahaan Foods Limited Mrs. Saloni Goyal, Non-Executive Non -Independent Director
Name of Directors or KMP who is related, if any	Mr. Sanjeev Goyal, Managing Director Mrs. Saloni Goyal, Non-Executive Non -Independent Director
Nature of Relationship	Mrs. Saloni Goyal is Non-Executive Non -Independent Director of Mahaan Foods Limited
Nature, material terms, monetary value and particulars of contracts or arrangements	Mahaan Foods Limited proposes to buy property owned by Mrs. Saloni Goyal Situated at B-7/5, Safdarjung Enclave, New Delhi-110029 for official purposes at market price of Rs 5.40 crore and on arm's length basis on the basis of valuation report obtained by Mahaan Foods Limited.
Any other information relevant or important to take a decision on the proposed resolution	The Audit Committee and Board of Directors of Mahaan Foods Limited has already considered and approved the transaction.

Except Mr Sanjeev Goyal, Mrs Saloni Goyal, Directors and their relatives, none of the Directors and Key Managerial Personnel and their relatives is interested in the proposed Ordinary Resolution.

The Board recommends the resolution set out at item no.4 of the Notice for your approval.

**By the orders of the Board of Directors**

**Sd/-**

**(Vijay Gupta)**

**Company Secretary cum Compliance Officer**

**Membership No.:A29731**

**Place: New Delhi**

**Date: 1<sup>st</sup> September, 2017**

## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

### 1. Financial Highlights

During the year under review, financial performance of your company was as under:

(` in lakh)

Particulars	2016-2017	2015-16
Sales & other income	218.89	69.94
Profit Before Interest and Depreciation & Taxes	69.84	20.54
Profit/(Loss) before exceptional item & taxes	58.38	8.89
Exceptional item	-262.51	-
Profit/(Loss) before Tax	-204.13	8.89
Taxation	-15.75	-5.64
Profit/(Loss) after taxes	-219.88	14.53

The Company achieved gross turnover including other income of Rs. 218.89 Lakh and posted net Loss of Rs 219.88 Lakh for the financial year ended on 31<sup>st</sup> March, 2017 as against gross turnover including other income of Rs. 69.94 Lakh and net profit of Rs. 14.53 Lakh in the previous financial year.

### 2. State of Company's Affairs and Future Outlook

Your company's business prospects remained largely affected due to delay in the process of settlement involving the promoters of the Company. However your company is constantly exploring available business opportunities.

### 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 is proposed for the current financial year.

### 5. Transfer to Reserves

During the year, the Company has incurred a loss of Rs 219.88 lacs and the same is appearing as debit balance of the Profit and Loss Account.

### 6. Changes in Share Capital

There has been no change in the Authorised and Paid up share capital of the company during the year.

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 6 (Six) Board Meetings were held on 28th May, 2016, 12th August, 2016, 3rd September, 2016, 14th November, 2016, 21st December, 2016 and 8th February, 2017 respectively and the details of attendance of directors is given as under:

S. No.	Name of the Directors	Designation	No. of Board Meetings attended
1	Mr. Sanjeev Goyal	Chairman & Managing Director	6
2	Mrs. Saloni Goyal	Non-Executive Director	6
3	Mr. Achal Kumar Khaneja	Independent Director	6
4	Mrs. Moutushi Sengupta	Independent Director	6



**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**

There were no Related Party Transactions which fall under the provisions of section 188 of the Companies Act, 2013. The details of related party transactions are contained in Note 30 of the Financial Statements.

The policy on Related Party Transactions as approved by Board is uploaded on the Company's website [www.mahaanfoods.com](http://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 27<sup>th</sup> annual general meeting (AGM) of the Company held on September 27, 2014 till the conclusion of the 33<sup>rd</sup> 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 30<sup>th</sup> 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.

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.

**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**".

There were no comments in the Secretarial Auditors report which required any explanation from the directors of the company.

**C. Internal Auditors':**

M/s Naresh Kumar & Co., Chartered Accountants, New Delhi are the Internal Auditors of the company.

**14. Material Changes Affecting the Financial Position of the Company**

The inordinate delay in implementation of Company Law Board order dated 3<sup>rd</sup> September, 2010 involving family settlement amongst the promoters of the company continues to severely affect the operations 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 in all its operations.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- a. Foreign Exchange Earnings - Nil
- b. Outgo : Rs. 1,05,86,862

**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.

**17. Risk Management**

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The policy is available on the Company Website at: <http://www.mahaanfoods.com>

**18. Directors & Key Managerial Personnel (KMP)**

Mr. Sanjeev Goyal, Chairman cum Managing Director, Mr. Jitender Bisht, Chief Financial Officer and Mr. Vijay Gupta, Company Secretary are the Key Managerial Personnel of your Company under the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Saloni Goyal, Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment. The Board recommends her re-appointment for consideration of the shareholders of the Company at the ensuing Annual General Meeting.

All Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Jitender Bisht, has been appointed as Chief Financial Officer of the Company w. e. f. 21.12.2016. Mr. G. K. Sharma resigned as the Chief Financial Officer of the Company w. e. f. 21.12.2016.

#### **19. Details of significant & material orders passed by the regulators or courts or tribunal**

Your Company operations are affected on account of inordinate delay in the settlement of disputes amongst its promoters. The matter is pending for adjudication before the mediator under the supervision of Hon'ble High Court of Delhi.

#### **20. Internal Financial Controls**

Your Company has a proper and adequate system of internal financial controls. This ensures that all assets are safeguarded and protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly. The internal financial control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Audit Committee periodically reviews the performance of internal audit function and discusses internal audit reports with the Internal Auditors.

#### **21. Fraud Reporting**

Neither the Statutory Auditors nor the Secretarial Auditors have brought to the notice of the Audit Committee or the Board of Directors or the Central Government the occurrence or brewing of any fraud in the Company.

#### **22. Code of conduct for regulating & reporting trading by Insiders and for Fair Disclosure, 2015**

Your Company has adopted the "Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015" which, inter alia, prohibits purchase or sale of securities of the Company by Directors, employees and other connected persons while in possession of unpublished price sensitive information in relation to the Company.

#### **23. Disclosure of ratio of Remuneration of Directors and Key Managerial Personnel etc.**

The company did not pay any remuneration to the Managing Director and other directors of the company.

As required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration and such other details as prescribed therein are given in "**ANNEXURE-C**" which is attached hereto and forms a part of the Directors' Report.

#### **24. Particulars of Employees**

The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required as there was no employee on the payroll of the company receiving remuneration in the excess of the limit prescribed under the said rules.

#### **25. Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to all the members of the Board & senior management personnel of the company. The Code has been posted on the Company's website [www.mahaanfoods.com](http://www.mahaanfoods.com).

#### **26. Committees of the Board**

The Board of Directors has the following Committees:

##### **❖ Audit Committee**

The Audit Committee formed in pursuance to Section 177 of the Companies Act, 2013 and in accordance with Regulation 18 of the Listing Regulations is instrumental in reviewing the procedures of financial reporting besides reviewing the quarterly, half yearly, annual financial results of the Company, internal control systems, auditing and accounting matters including recommending for appointment of independent auditors and compliance with legal and statutory requirements and integrity of the Company's financial statements.

During the year, six meetings of the Committee were held on 28<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 3<sup>rd</sup> September, 2016, 14<sup>th</sup> November, 2016, 21<sup>st</sup> December, 2016 and 8<sup>th</sup> February, 2017 respectively. The composition and attendance of the Committee was as under:

<b>Name of Director</b>	<b>Position held in the Committee</b>	<b>No. of Committee Meetings attended</b>
Mr. Achal Kumar Khaneja	Chairman	6
Mr. Sanjeev Goyal	Member	6
Mrs. Moutushi Sengupta	Member	6