



MAHAAN FOODS LTD.

Correspondence Address :

M-19, 1st Floor, M Block Market
Greater Kailash Part-II,
New Delhi-110 048 India

Ph. : 91-11-43107200

CIN : L15419HP1987PLC007356

E-mail : info@mahaanfoods.com

Website : http://mahaanfoods.com

10th October, 2017

To
The Manager
Department of Corporate Services
BSE Ltd.
25, P.J. Towers,
Dalal Street,
Mumbai -400001

Ref. : Scrip Code No.: 519612

Sub.: Annual Report for the Financial Year ended on 31st March, 2017.

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the Financial Year 2016-17, duly approved and adopted by the shareholders of the Company at the 30th Annual General Meeting of the Company held on 28th September, 2017.

Please take the above on your record.

Thanking You.

Yours faithfully,
For **Mahaan Foods Limited**

Vijay Gupta

Vijay Gupta
Company Secretary
Membership No. : ACS 29731



Encl.: As Above

**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 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. 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. 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.
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, 25th September 2017 (9:00 am) and ends on Wednesday, 27th 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. 21st 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.nsd.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 with a copy marked to 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.nsd.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.nsd.com.

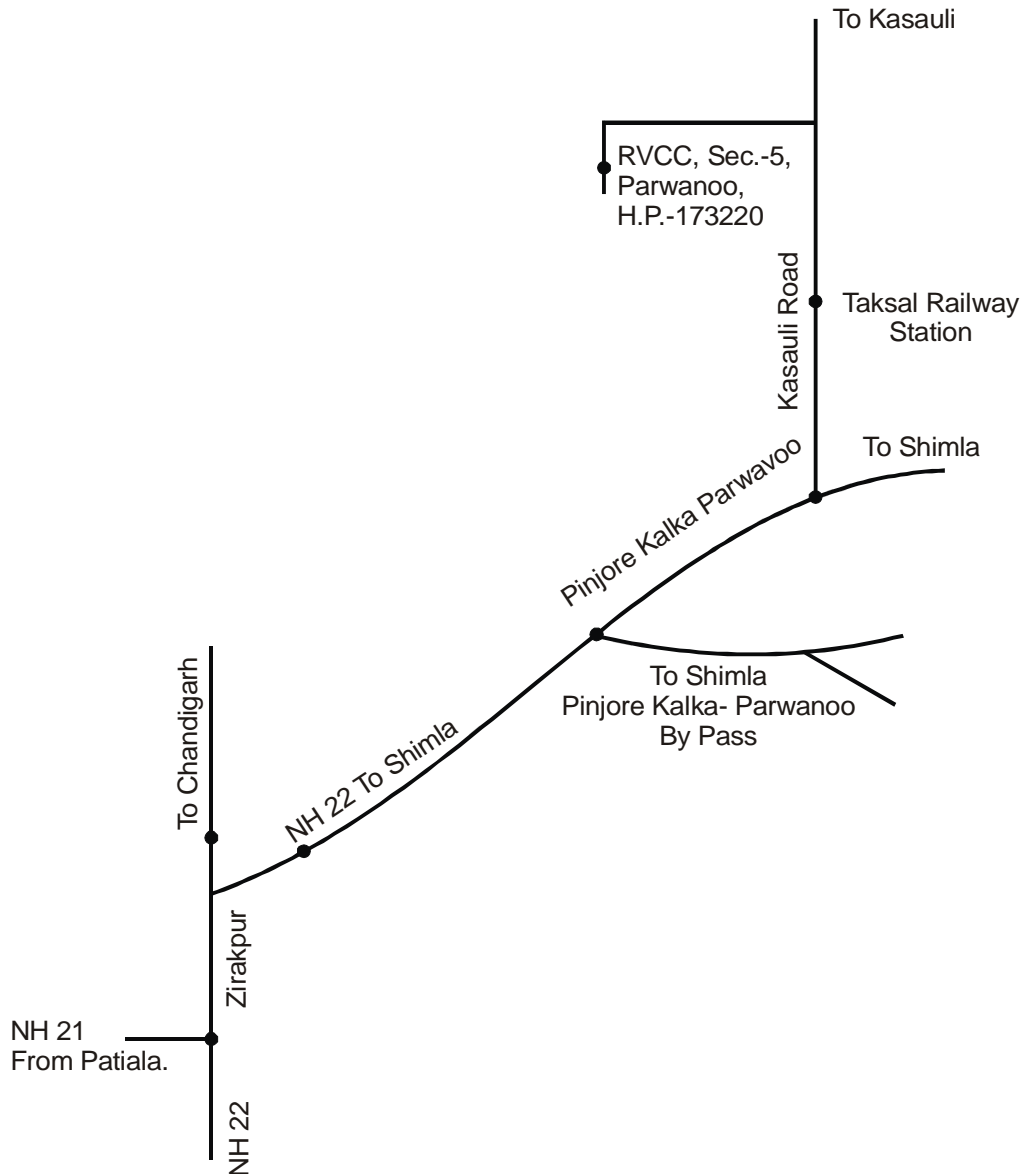
In case shareholders are holding shares in demat mode, USER ID is the combination of (DPID+CLIENT ID)

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 21st 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. 21st September, 2017, may obtain the login ID and password by sending a request at 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.nsd.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 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:

Name of the Director	Mrs. Saloni Goyal
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: -

Particulars	Details
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: 1st September, 2017

DIRECTORS' REPORT

To,

The Members,

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

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 30th 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 3rd 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.

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 28th May, 2016, 12th August, 2016, 3rd September, 2016, 14th November, 2016, 21st December, 2016 and 8th February, 2017 respectively. The composition and attendance of the Committee was as under:

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

The Company Secretary acted as the Secretary to the Committee and the Statutory and Internal Auditors attended the meetings on invitation.

❖ **Nomination and Remuneration Committee**

Pursuant to Section 178 of the Companies Act, 2013, and Regulation 19 of Listing Regulation, the terms of reference of the Committee covers evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP, identify person who are become director, recommend to the Board for their appointment & removal beside carrying out evaluation of every director performance.

During the year Two meetings of the Committee were held on 28th May, 2016 and 21st December, 2016 respectively.

The composition and attendance of the Committee was as under:

S. No.	Name of Director	Position held in the Committee	No. of Committee Meetings attended
1	Mr. Achal Kumar Khaneja	Chairman	2
2	Mrs. Moutushi Sengupta	Member	2
3	Mr. Sanjeev Goyal	Member	2

The Company Secretary acted as the Secretary to the Committee.

The company has not given any Stock Option to any Director.

The Company did not pay any remuneration to the Managing Director and only sitting fees was paid to Non-Executive Directors of the Company.

❖ **Stakeholders' Relationship Committee**

❖ Pursuant to Section 178 of the Companies Act, 2013, the Stakeholders Relationship Committee is empowered to handle shareholders queries and grievances. It primarily focuses on review of:

1. Investor complaints and their redressal;
2. Performance of the share transfer agent;
3. Corporate actions related to shareholder issues;
4. Stakeholders'queries & grievances.

During the year, 5 meetings of the Committee were held on 4th April, 2016, 16th May, 2016, 7th November, 2016, 30th January, 2017 and 6th March, 2017 respectively:

The Composition and attendance of the Stakeholders' Relationship Committee was as below:

Name of the Director	Position in the Committee	Number of Meetings attended
Mr. Achal Kumar Khaneja	Chairman	5
Mrs. Saloni Goyal	Member	5

Mr. Vijay Gupta, Company Secretary is the compliance officer.

Only two complaints were received from the shareholders, during the year, and the said complaints were replied/ resolved to the satisfaction of the shareholder.

27. Corporate Governance

In terms of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company is not required to prepare Corporate Governance Report as the paid up equity share capital and net worth of the company is not exceeding rupees ten crore and rupees twenty five crore respectively on the last day of the previous financial year i.e. 31st March, 2016.

28. Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility are not applicable on the Company.

29. Formal Evaluation of Board, Committees & Directors' Performance

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has through mutual discussions carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee ("NRC") evaluated the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was reviewed, taking into account the views of executive directors and non-executive directors of the company.

30. Remuneration Policy

In accordance with the Remuneration policy of the company, the Nomination and Remuneration Committee recommend the appointment/ re-appointment of Directors including Independent Directors and senior management & employees of the Company, based on their qualifications, professional experience, positive attributes, view points, skills and area of expertise.

The Remuneration Policy is placed on the Company's website www.mahaanfoods.com.

31. Whistle Blower/Vigilance Policy

Your Company has established a whistle blower policy/vigil mechanism for the Directors and employees of the company, to report genuine concerns, calling the attention of the Audit Committee to some wrong doing occurring within an organization. Your Company has also provided adequate safeguards against victimization of whistleblowers who express their concerns against such wrong doings in the organization. The Company has also provided direct access to the Chairman of the Audit Committee, in exceptional circumstances.

32. Disclosure under sexual harassment of women at Workplace, (Prevention, Prohibition & Redressal) Act, 2013

Your company did not come across any complaint by any employee during the year under review relating to the sexual harassment.

33. Management Discussions and Analysis

The Management Discussions and Analysis forms an integral part of this report as **Annexure - D**

34. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis;
- v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

35. Acknowledgement

Your Directors express their sincere gratitude and deep appreciation for the co-operation and assistance given by the financial institutions, banks, suppliers and customers of the Company during the year under report and look forward to their continued support. Your Directors also thankfully acknowledge the trust and confidence reposed by you in the Company.

By order of the Board of Directors

Sd/-

(Sanjeev Goyal)

Chairman

DIN : 00221099

Place: New Delhi

Date: 1st September, 2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(As on financial year ended on 31.03.2017)
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014**
I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15419HP1987PLC007356
2.	Registration Date	13.03.1987
3.	Name of the Company	Mahaan Foods Limited
4.	Category/Sub-category of the Company	Company limited by shares/ Indian Non Government Company
5.	Address of the Registered office & contact details	Highwinds, National Highway 22, Village Datar, Parwanoo, Himachal Pradesh, 173220 Contact Number:011-43107200 Email-ID-vijaygupta@mahaanfoods.com
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name : M/s Alankit Assignments Limited Address 1 E/ 13, Alankit House, Jhandewalan Extension, New Delhi - 110005 Tel: +91 11-4254 1234 Email: rta@alankit.com Website: www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Dairy Products	105	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Zeon Lifesciences Limited Address: Village Kunja, Rampur Road Paonta Sahib, Distt Sirmour, Himachal Pradesh.	U15209HP1987PLC007355	Associate	22.73	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	1397849	-	1397849	39.93	1865299	-	1865299	53.28	+13.35
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	467450	-	467450	13.35	-	-	-	-	-13.35
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	1865299	-	1865299	53.28	1865299	-	1865299	53.28	-
(2) Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)(1)+(A)(2)	1865299	-	1865299	53.28	1865299	-	1865299	53.28	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	6300	6300	0.18	-	6300	6300	0.18	NIL
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	62500	-	62500	1.79	62500	-	62500	1.79	NIL
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	62500	6300	68800	1.97	62500	6300	68800	1.97	NIL
2. Non-Institutions									
a) Bodies Corp.	116175	16800	132975	3.80	119676	16800	136476	3.89	+0.09
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	567130	358845	925975	26.45	536745	354645	891390	25.46	-0.99
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	302297	-	302297	8.63	352043	-	352043	10.06	+1.43
c) Others (specify)									
Non Resident Indians	27754	161900	189654	5.42	11592	159400	170992	4.89	-0.53
Overseas Corporate Bodies	15700	-	15700	0.45	15700	-	15700	0.45	NIL

Sub-total (B)(2):-	1029056	537545	1566601	44.75	1035756	530845	1566601	44.75	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1091556	543845	1635401	46.72	1098256	537145	1635401	46.72	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2956855	543845	3500700	100	2963555	537145	3500700	100	100

ii. Shareholding of Promoters-

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Aditya Goyal	148175	4.23	-	148175	4.23	-	-
2	Mrs. Saloni Goyal	135726	3.88	-	516715	14.76	-	+10.88
3	Mr. Sanjeev Goyal	20600	0.59	-	20600	0.59	-	-
4	Sanjeev Goyal HUF	99900	2.85	-	99900	2.85	-	-
5	Ms. Sanya Goyal	239750	6.85	-	239750	6.85	-	-
6	Mrs. Sita Devi	300	0.01	-	840159	24.00	-	+23.99
7	Mr. Anish Garg	47600	1.36	-	-	-	-	-1.36
8	Mr. Anish Garg	17667	0.50	-	-	-	-	-0.50
9	Dalip Chand HUF	65000	1.86	-	-	-	-	-1.86
10	Mr. Dalip Chand Garg	53195	1.52	-	-	-	-	-1.52
11	Mrs. Deepa Goyal	90100	2.57	-	-	-	-	-2.57
12	Mr. Rajiv Goyal	290889	8.31	-	-	-	-	-8.31
13	Mrs. Rani Garg	33200	0.95	-	-	-	-	-0.95
14	Suresh Garg HUF	120297	3.44	-	-	-	-	-3.44
15	Mr. Suresh Garg	5850	0.17	-	-	-	-	-0.17
16	Ms. Yashna Garg	29600	0.84	-	-	-	-	-0.84
17	M/s French Foods Private Limited	93250	2.66	-	-	-	-	-2.66
18	M/s Zeon Lifesciences Limited	290000	8.28	-	-	-	-	-8.28
19	M/s Zeon Lifesciences Limited	84200	2.41	-	-	-	-	-2.41
	Total	1865299	53.28	-	1865299	53.28	-	-

iii. Change in Promoters' Shareholding

Sr No	Particular	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Rajiv Goyal	290889	8.31	30.06.2016	-290889	Inter-se transfer	Nil	Nil
2	Mrs. Deepa Goyal	90100	2.57	30.06.2016	-90100	Inter-se transfer	Nil	Nil
3	Mrs. Saloni Goyal	135726	3.88	30.06.2016	+380989	Inter-se transfer	516715	14.76
4	Ms. Yashna Garg	29600	0.84	25.11.2016	-29600	Inter-se transfer	Nil	Nil
5	Mr. Suresh Garg	5850	0.17	25.11.2016	-5850	Inter-se transfer	Nil	Nil
6	Suresh Garg HUF	120297	3.44	25.11.2016	-120297	Inter-se transfer	Nil	Nil
7	Mrs. Rani Garg	33200	0.95	25.11.2016	-33200	Inter-se transfer	Nil	Nil
8	M/s Zeon Lifesciences Limited	374200	10.69	25.11.2016	-374200	Inter-se transfer	Nil	Nil

9	M/s French Foods Private Limited	93250	2.66	25.11.2016	-93250	Inter-se transfer	Nil	Nil
10	Mrs. Sita Devi	300	0.01	25.11.2016 16.12.2016	+656397 +183462	Inter-se transfer	840159	24.00
11	Mr. Anish Garg	65267	1.86	16.12.2016	-65267	Inter-se transfer	Nil	Nil
12	Mr. Dalip Chand Garg	53195	1.52	16.12.2016	-53195	Inter-se transfer	Nil	Nil
13	Dalip Chand HUF	65000	1.86	16.12.2016	-65000	Inter-se transfer	Nil	Nil

Note: The above information is based on the weekly beneficiary position received from depositories on 1st April, 2016 to 31st March, 2017.

iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Sailesh Vikramsinh Thakker	135000	3.86	23.09.2016 10.03.2016	5000 1000	Purchase Purchase	141000	4.03
2	Raju Bhandari	92614	2.65	-	-	-	92614	2.65
3	The Pradeshiya Industrial and Investment Corporation	62500	1.79	-	-	-	62500	1.79
4	S. Chand & co. Ltd	42564	1.22	-	-	-	42564	1.22
5	Rajendra Rajaram Dhole	25700	0.73	-	-	-	25700	0.73
6	Alliance Holdings Limited	25000	0.71	-	-	-	25000	0.71
7	Asgar Hussaini Bharmal	24900	.64	-	-	-	24900	0.64
8	Karvy Stock Broking Limited	22606	0.65	13.05.2016 20.05.2016 19.08.2016 26.08.2016 02.09.2016	+100 -100 +433 +1082 +99	Purchase Sale Purchase Purchase Purchase	24220	0.69
9	Vijaya Shashidhar Ullal	24083	0.69	19.08.2016 26.08.2016 20.01.2017	-4309 -13450 -6324	Sale Sale Sale	NIL	NIL
10	Pearl Mary Nirmala George	22000	0.63	-	-	-	22000	0.63
11	#Raju Ajit Bhandari	4508	0.13	08.07.2016 30.12.2016 06.01.2017 13.01.2017 20.01.2017 03.02.2017 10.02.2017 10.03.2017 17.03.2017 24.03.2017	-2 +198 +1 +3102 +2390 +6161 +11891 +3914 -400 -600	Sale Purchase Purchase Purchase Purchase Purchase Purchase Purchase Sale Sale	31163	0.89
12	#Balram Bharwani	9000	0.26	17.06.2016 24.06.2016 15.07.2016 19.08.2016 26.08.2016 02.09.2016 30.09.2016 07.10.2016 14.10.2016	+3200 +22 -50 +3028 +11450 +8961 +1 +13 +250	Purchase Purchase Sale Purchase Purchase Purchase Purchase Purchase Purchase	36666	1.05

				21.10.2016	+100	Purchase		
				04.11.2016	+25	Purchase		
				25.11.2016	+451	Purchase		
				02.12.2016	-474	Sale		
				09.12.2016	+28	Purchase		
				16.12.2016	+500	Purchase		
				23.12.2016	+50	Purchase		
				10.02.2017	+70	Purchase		
				17.02.2017	+41	Purchase		

Note: The above information is based on the weekly beneficiary position received from depositories on 1st April, 2016 to 31st March, 2017.

*Not in the list of top 10 shareholders as on 01.04.2016, however they are reflected as shareholders on 31.03.2017.

v. Shareholding of Directors and Key Managerial Personnel:

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sanjeev Goyal, Chairman cum Managing Director	20600	0.588	20600	0.588
2	Mrs. Saloni Goyal, Non-Executive Director	135726	3.877	516715	14.76

V. **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER-NIL

B. REMUNERATION TO OTHER DIRECTORS-

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Achal Kumar Khaneja	Mrs. Moutushi Sengupta	
	Fee for attending board and committee meetings	₹ 15000	₹ 15000	
	Commission	NIL	NIL	
	Others, please specify	NIL	NIL	
	Total Managerial Remuneration	₹ 15000	₹ 15000	₹ 30000
	Overall Ceiling as per the Act	Sitting fees have been paid within the maximum limit allowed under the provisions of the Companies Act, 2013		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S N	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Vijay Gupta (CS)	Mr. G. K. Sharma (CFO)	Mr. Jitender Bisht (CFO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 521851	₹ 450010	₹ 202000	₹ 1173861
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission	0	0	0	
	- as % of profit	0	0	0	
	Others, specify...	0	0	0	
5	Others, please specify	0	0	0	
	Total	₹ 521851	₹ 450010	₹ 202000	₹ 1173861

Mr. G. K. Sharma has resigned from the Chief Financial Officer of the Company w. e. f. 21.12.2016.

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: Nil

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

M/s Mahaan Foods Limited

Highwinds, National Highway-22,

Village Datyar, Parwanoo,

Himanchal Pradesh-173220

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahaan Foods Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(Not applicable to the Company during the Audit Period)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (Not applicable to the Company during the Audit Period);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (Not applicable to the Company during the Audit Period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (Not applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (Not applicable to the Company during the Audit Period); and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (Not applicable to the Company during the Audit Period).**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Food Safety and Standards Act, 2006(FSSA) and Rules, 2011 and Regulations, 2011;
- (b) Food Safety and Standards (Licensing & Registration of food business) Regulations, 2011
- (c) Food Safety and Standards (Packaging and Labeling) Regulations, 2011

The Company is registered with Food Safety and Standards Authority of India vide FSS License No. 10016011003600.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company's operations continued to be affected, as explained, on account of inordinate delay in implementation of Company Law Board Order dated 3rd September, 2010 relating to family settlement amongst the promoters of the company.

Date: 1st September, 2017
Place: New Delhi

Sd/-
(Shakshi Mittal)
Practicing Company Secretary.
ACS: 32114 CP 12649

This report is to be read with my letter of even dated which is enclosed with this report.

To,
The Members,
M/s Mahaan Foods Limited
Highwinds, National Highway-22,
Village Datar, Parwanoo,
Himanchal Pradesh-173220

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 1st September, 2017
Place: New Delhi

Sd/-
(Shakshi Mittal)
Practicing Company Secretary.
ACS: 32114 CP 12649

ANNEXURE - C
Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year cannot be ascertained as no remuneration was paid to any of the Directors of the company.
- ii) There was only 9.52% increase in the remuneration of Company Secretary in the financial year.
- iii) There was 7.03% increase in the median remuneration of employees in the financial year.
- iv) There were only 2(two) permanent employees on the rolls of the Company.
- v) The average percentile increase already made in the salaries of employees others than the managerial personnel in the last financial year is NIL. No comparison could be given with respect to increase in managerial remuneration as no remuneration was paid to any Managerial Personnel during the year.
- vi) It is hereby affirmed that the remuneration during the year ended 31st March, 2017 is paid as per the Remuneration Policy of the Company.

ANNEXURE - D
Management Discussion and Analysis
Industry Structure and development

India has the largest bovine population in the world with a processing capacity of 98.3 million litres per day. Over the past two decades, dairy farming has progressed towards emerging as an organized industry that encompasses not only increased production of milk and milk products, but also the breeding of high- yielding cattle, scientific animal rearing and customized feed production.

Dairy activities are traditionally integral to India's rural economy; the country ranks as the world's largest producer and consumer of dairy products with a 19% share. More than 90% of India's milk production is concentrated in 14 states (the top five being Uttar Pradesh, Rajasthan, Andhra Pradesh, Gujarat and Punjab).

Currently, 15% of the average households' food expenditure is on milk or milk-based products. The off take of milk and milk-based products has increased not only in cities but also in small towns and rural areas due to the increased demand for quality products and growing health consciousness.

India's combined butter and ghee production for 2017 is estimated to rise 3.8% to 5.4 million metric tonnes. Milk sales went up by 2.81% in December 2016 on a y-o-y basis from 321 lakhs litres per day to 329 lakhs litres. The last six months of 2016 saw milk production decline ~15% and milk prices increase C4-5 per litre.

In 2016, there were 75 million dairy farmers, with only 40% in the organised sector. The value of milk procured by village level dairy coop societies stood at Rs. 120 crore per day. The total milk procurement was 850 lakhs litres per day (co-op sector, private: 425 lakhs litres). Ghee represented the second largest (~13%) consumed dairy product in India after milk and is expected to grow at a six year CAGR of 17% till 2020. (Source: NDDB, USDA, Business Today, dairytechindia.com, indairyasso. org, Business Wire, Economic Times, IMARC)

Opportunities and Threats

The future for the Indian dairy industry looks promising, buoyed by strong domestic consumption. The Company's operations continue to be largely 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. Your company is trying to explore available business avenues.

Segment wise or product wise performance

The company does not have the segment or product wise performance.

Outlook for the Industry

With an increase in average household income, the demand in dairy products continues to increase specially bearing in mind the large percentage of vegetarians in the country. Also, the demand for milk and milk products is likely to see continued growth.

Future Prospects

More and more emphasis is being laid on liquid milk and fresh products such as lassi, pro-biotic milk, ice creams etc. There's an increase in demand for the said products.

The Company is trying to reposition itself in the changing business scenario.

Risk and Concerns

The huge surge in costs in terms of raw material inputs, services, power and fuel is also affecting the industry. Impact of monsoons on the milk availability is a matter of concern. Governmental policies on exports/ imports are also detrimental to the business.

Your company is facing legal imbroglio which has severely affected its expansion and diversification plans.

Internal Control Systems and their adequacy

The Company has internal control system commensurate with the size and nature of the business which is monitored for its effectiveness on continuous basis.

Financial and Operational Performance

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 31st 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.

Human Resource and Industrial Relations

The Company continues to emphasize on optimization of the human resources. The company is having only 2 employees on its permanent rolls.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

DD NAGPAL & COMPANY
CHARTERED ACCOUNTANTS
6H GOPALA RAJENDRA PLACE DELHI-110008
PHONES: 25821021, 25821040
Email.id : ddnagpal@gmail.com

Independent Auditor's Report**To the Members of Mahaan Foods Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Mahaan Foods Limited ('the Company'), which comprise the Balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we have given in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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 those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors,

- none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure B", which is based on the Auditors' Report of the Company . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
 - (g) Attention is invited to Note No.23 stating that some of balance of debtors, creditors, and loan and advances are subject to confirmation from respective parties. We have relied on the representation of the management that no significant impact is expected on the working results of the company on this account.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its standalone financial statement as to holding as well as dealings in specified bank notes (SBN) during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company

For D.D.Nagpal & Co
Chartered Accountants
Firm's registration number: 006413N

DevDharNagpal
Partner
Membership number: 085366

New Delhi
30th May, 2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)
- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted loans to one company of Rs.55850000 (P.Y Rs.558500000) covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the Cost Records maintained by the company as prescribed by the Central Government under section 148 sub section (1) of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year. However there are certain delay observed in deposition of dues by the Company with the appropriate authorities in India .The Arrear as on 31st March, 2017 on the aforesaid dues were as below.

1	Sales Tax	Rs.39238.00
2	Service tax	Rs.44775.00
3	TDS	Rs.69332.00
4	CST Payable	Rs.32782

According to information and explanation given to us following undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they become payable

Name of Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates
Himachal Pradesh Value Added Tax Act 2005	Value Added Tax	48.22	01.01.2007 to 30.11.2008
Income tax Act 1961	Fringe Benefit Tax	3.88	01.04.2008 to 31.03.2009
Income tax Act 1961	Fringe Benefit Tax	1.04	01.04.2006 to 31.03.2007

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

Name of Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Sales Tax Act 1975	Sales Tax demand	40.40	2003-04	Dy. Commissioner (Appeals), New Delhi (Demand order has been stayed by Hon'ble Dy. Commissioner)
Punjab Value Added Tax Act 2005	Penalty	2.91	2005-06	Asstt. Excise & Taxation Commissioner cum Deputy Director (Inv.), Patiala for review.

Rajasthan Value Added Tax Act 2003	Penalty	8.49	2008-09	Rajasthan Tax Board, Ajmer
Orissa value Added Tax Act, 2004	Value added tax	0.46	01-04-2005	Joint Commissioner of Sales tax, Bhubaneswar
	Penalty	0.91	to 30-11-2008	
Orissa entry Tax Act, 1999	Entry tax	1.77	01-04-2005	Joint Commissioner of Sales tax, Bhubaneswar
	Penalty	3.54	to 30-11-2008	

- (viii) The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable. Based on the information & explanation given to us by the management term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Company has not made preferential allotment during the year. Paragraph 3(ix) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of therecords of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the ReserveBank of India Act 1934.

For **D.D. Nagpal & Co**
Chartered Accountants
Firm's registration number: 006413N

Dev Dhar Nagpal
Partner
Membership number: 085366

New Delhi
30th May, 2017

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Mahaan Foods Limited ('the Company'), as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For D.D.Nagpal & Co
Chartered Accountants
Firm's Registration Number: 006413N

Dev Dhar Nagpal
Partner
Membership Number: 085366

New Delhi
30th May, 2017

MAHAAN FOODS LIMITED
Balance Sheet as at 31.03.2017

Particulars	Note No	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	3	35,007,000	35,007,000
Reserves and Surplus	4	87,791,883	109,780,333
(2) Non-Current Liabilities			
Deferred tax liabilities (Net)	26		
(3) Current Liabilities			
(a) Short-term borrowings	5	-	-
(b) Trade payables	6	71,956,034	66,923,085
(d) Other current liabilities	7	5,006,809	4,851,886
(e) Short-term provisions	8	4,375,425	3,163,658
Total		204,137,151	219,725,961
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	5,906,841	7,198,006
(ii) Capital work-in-progress			
(b) Investments			
(a) Other non-current assets	10	71,600,000	93,100,000
Deferred tax Assets	26	3,855,715	3,926,779
Loan & Advances			
Intra company Transaction			
(2) Current assets			
(a) Current investments	11	6,560	6,560
(b) Inventories	12	2,024,493	2,024,493
(c) Trade receivables	13	3,758,822	5,725,593
(d) Cash and cash equivalents	14	73,407,638	4,756,342
(e) Short-term loans and advances	15	42,756,481	102,167,587
(f) Other current assets	16	820,601	820,601
Total		204,137,151	219,725,961

Significant Accounting Policies 1 & 2
Accompanying notes form Part of the Financial 3 to 34

Statements As per our report of even date

For D.D. Nagpal & Co.
Chartered Accountants

For Mahaan Foods Limited

Sd/-

D D Nagpal

FCA

Membership No. 85366
Firm's Registration No.006413N

Sd/-
(Jitender Singh Bisht)
CFO
PAN : BDRPB0631F

Sd/-
(Vijay Gupta)
Company Secretary
Mem. No. A29731

Sd/-
(Saloni Goyal)
Director
DIN : 00400832

Sd/-
Sanjeev Goyal
Managing Director
DIN : 00221099

Date: 30.05.2017

Place: New Delhi

MAHAAN FOODS LIMITED
Statement of Profit & Loss Account For Period ended on 31.03.2017

Particulars	Note No	For the period ended 31.03.2017	For the period ended 31.03.2016
Revenue from operations	17	17,019,903	-
Other Income	18	4,869,681	6,994,514
Total Revenue		21,889,584	6,994,514
Expenses:			
Cost of material consumed	19	10,586,862	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-	-
Employee benefit expense	21	2,340,268	2,845,029
Financial costs	22	134,608	-
Depreciation and amortization expense	9	1,145,882	1,165,055
Other expenses	23	1,843,323	2,095,349
Total Expenses		16,050,943	6,105,433
Profit before exceptional and extraordinary items and tax		5,838,641	889,081
Exceptional Items		26,251,296	-
Profit before extraordinary items and tax		(20,412,655)	889,081
Excess Provision Written Back			
Profit before tax		(20,412,655)	889,081
Tax expense:		1,575,795.00	564,433
(1) Current tax		1,504,731	169,500
(2) Deferred tax		(71,064)	733,933
Profit(Loss) from the period from continuing operations		(21,988,450)	1,453,514
Prior Period Adjustments			
Profit/(Loss) for the period		(21,988,450)	1,453,514
Earning per equity share:			
(1) Basic		-6.27	0.41
(2) Diluted		-6.27	0.41

Significant Accounting Policies
 Accompanying notes form Part of the Financial
 Statements As per our report of even date

1 & 2
 3 to 34

For D.D. Nagpal & Co.
 Chartered Accountants

For Mahaan Foods Limited

Sd/-
 D D Nagpal
 FCA
 Membership No. 85366
 Firm's Registration No.006413N

Sd/-
 (Jitender Singh Bisht)
 CFO
 PAN : BDRPB0631F

Sd/-
 (Vijay Gupta)
 Company Secretary
 Mem. No. A29731

Sd/-
 (Saloni Goyal)
 Director
 DIN : 00400832

Sd/-
 Sanjeev Goyal
 Managing Director
 DIN : 00221099

Date: 30.05.2017
 Place: New Delhi

MAHAAN FOODS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	5,838,641	889,081
ADJUSTMENTS FOR:-		
Depreciation	1,145,882	1165054.933
Other Income		225000
Interest Income	(4,866,920)	6769514.07
Dividend Income		
Loss on sale of fixed assets	70,283	0
Interest Charges	134,608	0
Operating profits before working capital changes :	2,322,494	(4,940,378)
ADJUSTMENTS FOR:-		
Inventories		
Sundry debtors	1,966,771	3041012.25
Trade & other receivables	59,411,106	-1092325.41
Trade payables & other liabilities	5,187,872	-68752.85
short term provision	1,211,768	
Cash generated from (used) in operation	70,100,011	-3060444.42
Direct taxes paid	1,504,731	0
Net Cash flow from operating activities (A)	68,595,280	-3060444.42
CASH FLOW FROM INVESTMENT ACTIVITIES :		
capital Subsidy received		
Sale of fixed assets	75,000	0
Transfer of fixed assets		
Interest received	4,866,920	6755788.07
Investment In MMFI	21,500,000	0
Dividend from non trade long term investments	-	225000
Net Cash flow used in investment activities (B)	26,441,920	6980788.07
CASH FLOW FROM FINANCING ACTIVITIES :		
Loan paid/recovered		
Interest paid	(134,608)	0
Increase / decrease in term loans (net)		(146,125)
Increase / decrease in cash credits from banks	-	-
Net Cash flow used in financing activities (C)	(134,608)	(146,125)
Cash Flow from Extraordinary items (D)	26,251,296	-
Increase in cash flow from extraordinary Items	26,251,296	
Net decrease in cash and cash equivalents : (A+B+C+D)	68,651,296	3,774,219
Cash & cash equivalents at opening	4,664,090	889871
Cash & cash equivalents at closing	73,315,384	4664090

Auditors' Report
As per our Report of even date attached.
For D.D. Nagpal & Co.
Chartered Accountants
For Mahaan Foods Limited
Sd/-
D D Nagpal
FCA
Membership No. 85366
Firm's Registration No.006413N
Sd/-
(Jitender Singh Bisht)
CFO
PAN : BDRPB0631F
Sd/-
(Vijay Gupta)
Company Secretary
Mem. No. A29731
Sd/-
(Saloni Goyal)
Director
DIN : 00400832
Sd/-
Sanjeev Goyal
Managing Director
DIN : 00221099
Date: 30.05.2017
Place: New Delhi

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH 2017**1. Overview**

Mahaan Foods Limited (MFL) is an ISO 9001/2000 & HACCP certified company which was incorporated in 1987. The Company is engaged in manufacturing of dairy products and pharma nutritional products.

2. Significant Accounting Policies:

- a) The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 2013.
- b) The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principle in India. Accounting policies are consistently applied and consistent with those used in previous year.
- c) The preparation of financial statement in conformity with generally accepted accounting principle requires management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the end of the reporting period and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Difference between the actual result and estimates are recognized in the period which the results are known/ materialized.
- d) Fixed Assets are stated at cost less depreciation. The cost of fixed assets includes interest on specific borrowings obtained for the purpose or acquiring fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date.
- e) Plant and machinery includes expenses incurred on erection and commissioning, foundation, laboratory equipment, air and water pollution devices, electric installations, technical know-how fees, tools, and miscellaneous fixed assets other than land, building, furniture & fixture, vehicles, office equipments, computer equipments and air conditioning equipments. Technical know-how fee is inseparable and hence treated as part of plant & machinery. No adjustment is required to be made as per accounting standard 26 on intangible assets, issued by the Institute of Chartered Accountants of India.
- f) Expenditure related to and incurred during implementation of new /expansion-cum- modernization projects is included under capital work in progress and the same is allocated to the respective tangible assets on completion of its construction/erection.
- g) Long term investments are valued at cost. Where investments are reclassified from current to long term, transfers are made at the lower of cost and fair value at the date of transfer.
- h) Inventories of raw materials, stock-in-process, semi finished products, stores, packing materials, spares and loose tools, finished products are valued at lower of cost or net realizable value. In determining the cost, first in first out method is used .
- i) Prior year expenses / income, if any are adjusted in the respective head of expenses/ income. This has no effect on the working result of the Company.
- j) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM) on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- k) Provision for employee benefits charged on accrual basis is determined based on Accounting standard (AS) 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India as under:
 - I) Contribution to provident fund scheme is charged to revenue.
 - II) Liability for gratuity and privilege leave is determined on actuarial basis..
- l) The Government grants are recognized only on the assurance that the same will be received. The Government grants in respect of capital investment have been shown as capital reserve.
- m) Contingent liabilities are not provided for and are disclosed by way of notes. This has no effect on the working result of the Company.
- n) Taxes are accounted for in accordance with Accounting Standard -22 on Accounting for Taxes on Income. Income Tax Comprise of both current and deferred Tax.

Current Tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as Deferred Tax Asset or Deferred Tax Liability. Deferred Tax Assets and Liabilities are recognized for future tax consequences attributable to timing differences. They are measured using substantively enacted tax rates and tax regulations.
- o) Foreign currency transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- p) Borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets is capitalized till the month in which the assets is ready to use as part of the cost of that asset. Other interest and borrowing costs are charged to revenue.
- q) In case of the new industrial unit, all the operating expenditure (including borrowing costs) specifically for the project, incurred upto the date of installation, is capitalized and added pro-rata to the cost of fixed assets.

- r) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the buyer. Gross revenue from operations comprises of sale of products and others operating incomes. Excise duty is not applicable on the finished goods manufactured by the company.
- s) The earning considered in ascertaining the company's Earning per share (E.P.S.) comprise of the net profit after tax attributable to equity shareholders.
- t) In the opinion of the company's Management, there is no impairment to the assets to which Accounting Standard 28 "Impairment of Assets" applied requiring any revenue recognition.
- u) The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

Notes forming part of Balance Sheet and Profit & Loss A/c
Note-3 Share Capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
a) AUTHORIZED CAPITAL 20,000,000 (Previous year: 20,000,000) Equity Shares of Rs. 10/- each.	200,000,000		200,000,000	
b) ISSUED, SUBSCRIBED & PAID UP CAPITAL (Previous year: 3500700) Equity Shares of Rs. 10/- each, each Fully Paid up. includes 8,40,000 equity shares issued as bonus shares on 01.08.94 by capitalization of General Reserve)	35,007,000		35,007,000	
	35,007,000		35,007,000	
c) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING				
At the beginning of the period	3,500,700	35,007,000	3,500,700	35,007,000
At the end of the period	3,500,700	35,007,000	3,500,700	35,007,000
d) Rights, preferences and restrictions attached to Shares				
Equity Shares: The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company				
e) Details of Shareholders holding more than 5% shares in the Company:				
Name of Shareholder	No of Shares Held	No of Shares Held	% Holding	
Zeon Lifesciences Limited	-	374200	10.69	
Sanya Goyal	239750	239750	6.85	
Saloni Goyal	516715	135726	14.76	
Sita Devi	840159	300	24	
Total	1596624	749976		
Note: As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				

Note-4 Reserves & Surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Capital Investment Subsidy	7,320,000	7,320,000
b) Securities Premium reserve	12,253,500	12,253,500
a. Surplus		
Opening balance	90,206,833	88,753,319
(+) Net Profit/(Net Loss) For the current year	(21,988,450)	1,453,514
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves:	-	-
i). Customer Protection Fund	-	-
ii). Investor Service Fund	-	-
Closing Balance	68,218,383	90,206,833
Total	87,791,883	109,780,333

Note- 5 Short Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured Loans	Nil	Nil
Unsecured, considered good	Nil	Nil
Total	-	-

Note- 6 Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Sundry Creditors (Other Than Micro & Small Enterprises)	71,956,034	64,995,118
Advance received from customer	-	1,927,967
Total	71,956,034	66,923,085

Note- 7 Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Liabilities	5,006,809	4,851,886
Total	5,006,809	4,851,886

Note- 8 Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Short Term Provisions	449,049	742,013
Provision For Income Tax	3,926,376	2,421,645
Total	4,375,425	3,163,658

Note-9 Fixed Assets

S.NO	PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
		AS AT 01/04/2016	ADDITION	DEDUCTION	AS AT 31/03/2017	FOR THE YEAR	ADJUSTMENT	AS AT 31/03/2017	AS AT 31/03/2016
1	PLANT & MACHINERY	16920835			16920835	840582	0	12116865	5644552
2	OFFICE EQUIPMENTS	210522			210522	0		199997	10525
3	FURNITURE & FIXTURE	311700			311700	35411		183167	163943
4	VEHICLES	2453856		417514	2036342	269043	272231	1107210	1343458
5	COMPUTER EQUIPMENTS	824826			824826	0		798509	26317
6	A.C.EQUIPMENTS	15000			15000	846		6634	9212
	Sub Total	20736739	0	417514	20319225	1145882	272231	14412384	7198006
	PREVIOUS YEAR	20736739	0	0	20736739	1165055	0	13538733	8363061

Note- 10 Non-Current Investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unquoted		
Zeon Lifesciences Limited (formerly known Mahaan Dairies Limited) 400000 (Previous year 400000) equity shares of Rs. 10/- each	6,000,000	6,000,000
Mahaan Proteins Limited 2150000 (Previous year 2150000) equity shares of Rs.10/- each	-	21,500,000
Mahaan Milk Foods Limited 400000 Preference shares of Rs. 10/- each	65,600,000	65,600,000
Total	71,600,000	93,100,000

Note- 11 Current Investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
QUOTED		
Industrial Development Bank of India 320 (Previous year:320) Equity shares of Rs.10/- each (market price as on 31.03.2017 is Rs.75.10 Per Share)	6,560	6,560
Total	6,560	6,560

Note- 12 Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Raw Materials and components	-	-
b. Work-in-progress	-	-
c. Finished goods	-	-
d. Stock-in-trade		
e. Stores and spares	2,024,493	2,024,493
f. Others (Stationary)		
Total	2,024,493	2,024,493

Note- 13 Trade Receivable

Particulars	As at 31st March, 2017	As at 31st March, 2016
Sundry Debtors (Unsecured considered good, unless otherwise stated)		
(I) Outstanding for more than 6 months		
- Considered Doubtful	-	-
(II) Other Debts		
Considered Good	3,758,822	5,725,593
Total	3,758,822	5,725,593

Note- 14 Cash and cash equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Balances with banks		
Current A/c	16,915,518	4,304,045
Fixed Deposit Accounts:	56,260,090	260,090
b. Accrued Interest	92,253	92,253
c. Cash on hand	139,776	99,954
Total	73,407,638	4,756,342

Note- 15 Short Term Loans & Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Loans and advances to related parties		-
Secured, considered good	Nil	Nil
Unsecured, considered good	-	55,850,000
Doubtful		
Less:Provision for doubtful loans and advances		
Intra Company Transcation	-	-
	-	55,850,000
b. Others		
Secured, considered good	-	-
Unsecured, considered good	-	-
Share Application Money Refundable	30,100,000	30,100,000
Advances recoverable in cash or in kind or for value to be received	2,743,560	7,076,749
Considered good		
Rent receivable	-	213,300
Deposit with Government Departments	9,912,920.64	8,927,538
Total	42,756,481	102,167,587

Note- 16 Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Security Deposit	820,601	820,601
Interest Receivable on FD	-	-
Total	820,601	820,601

Note- 17 Revenue From Operations

Particulars	As at 31st March, 2017	As at 31st March, 2016
Sales	17,019,903	-
Total	17,019,903	-

Note- 18 Other Income

Particulars	As at 31st March, 2017	As at 31st March, 2016
Dividend Income	-	240.00
Interest Income	4,869,681	6,994,274
Total	4,869,681	6,994,514

Note- 19 Cost of material consumed

Particulars	As at 31st March, 2017	As at 31st March, 2016
Purchase Import	10586862.00	-
Total	10,586,862	-

Note- 20.Change in Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening stock:		
Finished goods		
Semi finished goods	-	-
Stock in process	-	-
Less : Closing Stock		
Finished goods	-	-
Semi finished goods	-	-
Stock in process	-	-
Total	Nil	Nil

Note-21 Employee Benefits Expense

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Salaries and incentives		
i. Directors	-	-
ii. Employees	2,340,268	2,837,741
(b) Contributions to -		
EPF	-	-
ii. FPF	-	-
iii. ESI	-	-
(c) Gratuity fund contributions	-	-
(d) Social security and other benefit plans for overseas employees	-	-
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
Staff welfare expenses		
(e) Others	-	7,288
Total	2,340,268	2,845,029

Note- 22 Finance Cost

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest paid	134608.00	-
Total	134,608	-

Note- 23 Other Expenses

Particulars	As at 31st March, 2017	As at 31st March, 2016
Commission to selling agents	-	1,838
Interest Expenses	-	132,962
Insurance	26,110	29,499
Miscellaneous expenses	962,030	1647509
Rates & taxes	-	-
Rent	473,558	50,000
Sales/turnover/entry tax/Service tax	233,551	147,243
Sitting fees	30,000	7,500
Telephone expenses	20,958	26,520
Traveling expenses	22,416	40,421
Vehicle maintenance	74,700	11,857
Total	1,843,323	2,095,349

Note 24 Contingent Liabilities:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Sales Tax	53,17,872.00	53,17,872.00
Entry tax	5,31,614.00	5,31,614.00
Guarantee against loan taken by Zeon Life Sciences Limited (Approx.)	70,000,000.00	70,000,000.00

Note 25

Some of balance of debtors, creditors and loans and advances are subject to confirmation from respective parties. No significant impact is expected on the Profit and loss account on this account. The effect of the same if any which is not likely to be material will be adjusted at the time of confirmation.

Note- 26 Deffered Tax Liability

The carrying amount of Deferred Tax Liabilities /(Assets) at each Balance Sheet date is arrived at as follows in accordance with Accounting Standard 22 as issued by The Institute of Chartered Accountants of India :

Particulars	Current year	Previous year
	(Rupees)	(Rupees)
a) Deferred Tax Liability Difference between book depreciation and depreciation under the Income Tax Act, 1961	-	-
b) Deferred Tax assets Disallowances of expenses under Income Tax Act	3855715	3926779
Net Deferred Tax Liabilities	(3,855,715)	-3926779
Credited to Profit & Loss Account	71,064	(733,933)

Note- 27 Auditor Remuneration

Particulars	Current year	Previous year
	(Rupees)	(Rupees)
- As Auditors	50,000	50,000
- As Tax Auditors	-	-
- for other matters	-	-
	50,000	50,000

Note- 28 Managerial Remuneration:

Particulars	Current year	Previous year
	(Rupees)	(Rupees)
- Salaries	0	0
- Contribution to P.F.	0	0
- Other perquisites & benefits	0	0
	0	0
- Director's sitting fees	30,000.00	15,000.00

Note- 29 Employee Benifites :
a) Defined Contribution Plans :

The Company charged Rs.NIL (Previous year Rs. 0) for provident fund contribution to the profit and loss account. The contributions towards these schemes by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans :

- i Liability for Gratuity and Privilege leaves is determined on actuarial basis.
- ii Gratuity Scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.
- iii The basis for determination of liability is as under :

Particulars	Gratuity Scheme	
	As at 31 March 2017 (Rs)	As at 31 March 2016 (Rs)
Change In present value of obligation		
1. Present value of obligation as at the beginning of the year	139,860	69225
2. Current service cost	10,546	40975
3. Interest cost	10,490	5538
4. Actuarial (gain)/loss	29,117	24122
5. Benefits paid	(1,73,077)	0
6. Present value of obligation as at the end of the year	16,936	139860
Cost for the year		
1. Current service cost	10,546	40975
2. Interest cost	10,490	5538
3. Actuarial (gain) / loss	29,117	24122
4. Net cost	50153	70635
Main actuarial assumptions		
Discount rate (per annum)	7.50%	8.00%
Rate of increase in compensation levels (per annum)	6.00%	6.00%

Particulars	Privilege Leaves	
	As at 31 March 2017 (Rs)	As at 31 March 2016 (Rs)
Change In present value of obligation		
1. Present value of obligation as at the beginning of the year	177152	1,12,796
2. Current service cost	5,069	40,639
3. Interest cost	13,286	9,024
4. Actuarial (gain)/loss	71,586	14,693
5. Benefits paid	(2,59,980)	0
6. Present value of obligation as at the end of the year	7,113	1,77,152
Cost for the year		
1. Current service cost	5,069	40,639
2. Interest cost	13,286	9,024
3. Actuarial (gain) / loss	71,586	14,693
4. Net cost	89,941	64,356
Main actuarial assumptions		
Discount rate (per annum)	7.50%	8.00%
Rate of increase in compensation levels (per annum)	6.00%	6.00%

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

Note- 30 Related Party Disclosures as per Accounting Standard 18.

Names of related party and nature of related party relationship:

Associates

Zeon Lifesciences Ltd (Previously known as Mahaan Dairies Ltd), Mahaan Proteins Ltd., Lactomalt Foods Pvt. Ltd., Ace International. Healthy India Nutritional Products Pvt. Ltd. Best Milk Foods Pvt. Ltd.

Key Management Personnel: Mr. Sanjeev Goyal, Managing Director and Mrs. Saloni Goyal, Director

Key Management Personnel's relatives: M/s Rajiv Goyal HUF (HUF of Mr. Rajiv Goyal), Mr. Amar Nath Goyal (Father of Mr. Sanjeev Goyal), M/s A N Goyal HUF(HUF of father of Mr. Sanjeev Goyal), Mr.Rajiv Goyal (Brother of Mr. Sanjeev Goyal), Mrs. Shashi Goyal (Mother of Mr. Sanjeev Goyal), Mr.Suresh Garg, Mr.Dalip Chand Garg (Father of Mr. Suresh Garg), Mr.Dalip Chand Garg HUF (HUF of Mr. Suresh Garg's Father),Rani Garg (wife of Mr. Suresh Garg)

The following transactions were carried out with the related parties in the ordinary course of business :

Nature of transaction	2016-17	2015-16
	Rs.	Rs.
Rent Paid Mrs. Saloni Goyal	300,000	-
Rent Received Mahaan Milk Foods Ltd.	-	225,000
Interest Received Mahaan Milk Foods Ltd.	1,619,185	6,753,314
Unsecured Loan Zeon Lifesciences Limited	50,926,060	50,926,060
Loan Paid Mahaan Milk Foods Ltd.	-	55,850,000
Creditors Mahaan Proteins Limited	-	7,202,985
Mr. A.N. Goyal	296,346	296,346
Mrs. Shashi Rani Goel	67,500	67,500
Mr. A. N. Goyal (HUF)	189,068	189,068
Advance received Mr. Dalip Chand Garg	1,101,784	1,101,784
Dalip Chand Garg (HUF)	1,108,518	1,108,518
Advance Recoverable Mr. Suresh Garg	1,537,304	1,537,304
Mr. Rajiv Goyal	-	87,659
Healthy India Nutritional Products Pvt. Ltd.	1,418,450	1,418,450
Mahaan Milk Foods Ltd.	2,764,598	2,764,598
Share Application money paid Zeon Lifesciences Limited	30,100,000	30,100,000
Mahaan Milk Foods Ltd	65,600,000	65,600,000
Investment made in shares Mahaan Proteins Limited	-	21,500,000
Zeon Lifesciences Limited	6,000,000	6,000,000

Note 31 Earning per Share:

Particulars	Current year	Previous year
Weighted average number of shares at the beginning and at the end of the year	3,500,700	3,500,700
Face Value Per Share (in Rs.)	10	10
Net profit (Loss) after tax available for Equity shareholders (Rs.)	(21,988,450)	1,453,514
Basic and diluted Earning per share (Rs)	-6.28	0.42

Note 32 Exceptional Item (Transfer of Assets & Liabilities under family settelment)

Mahaan group company initially started the bussiness in the year 1987 with equal contribution and participation of Mr. A.N. Goyal and Mr. Suresh Garg. Mr. Rajeev Goyal (son of Mr. A.N. Goyal), Mr. Sanjeev Goyal (son of Mr. A.N. Goyal) and the member of the family thereafter jointly established and promoted the Mahaan Group constituting the various companies referred to as

- (a) Mahaan Proteins Ltd.
- (b) Zeon Lifescience Ltd.
- (c) Mahaan food Ltd. (Consisting further 2 unites Mahaan Bioysis and Mahaan Nutritions)
- (d) Ace International

And the promoters groups are referred to as

- (a) Mr. A N Goyal as ANG Group
- (b) Mr. Suresh Garg as Garg Group
- (c) Mr. Saneev Goyal as SG Group
- (d) mr. Rajeev Goyal as RG Group

Unitwise ownership of promoters is as under :-

	MPL	ZLL	MFL	ACE INT.
ANG GROUP	29	13	7	25
GARG GROUP	3	26	23	25
SG GROUP	12	42	11	25
RG GROUP	31	19	11	25
OTHERS	25	0	48	0
Total	100	100	100	100

All the parties enjoyed good relationship and jointly carried on the business of the Mahaan group for more than 2 decades. However with the passage of time, certain disputed and differences arose between the parties and in order to resolve these disputes and differences, The parties decided to re- arrange the ownership of the companies and to divide the assets and liabilities of the Mahaan Group In order to give effect to the family settlement they entered in to the Memorandum of Family Settlement (MOFS) dated 31.08.2010

Broad settlement amongst the groups is as under:-

- The Ownership, Management and control of Zeon Lifescience Ltd. and Mahaan Biosys & Mahaan Nutrition both unit of MFL has been decided to be accorded to Mr. Suresh Garg (Garg Group)
- The Ownership, Management and control of Mahaan Proteins Ltd has been decided to be accorded to Mr. Rajeev Goyal (RG Group)
- The Ownership, Management and control of ACE International and Dairy division of MFL has been decided to be accorded to Mr. Sanjeev Goyal (SG Group)
- Payment of 6.8 Crore by Mr. Suresh Garg to other promoters group.
- Mr. A.N. Goyal Expressed his disire to retire from active business.
- Transfer of Loan liabilities (All secured liabilities towards loans and interests outstanding) of Mahaan Food Ltd. by Garg Group
- Transfer of 1/4th share of property at Greater Kailash by Garg Group in favour of SG Group
- Exchange of Shareholding inter se.

Till November 2011 nothing could be executed amongst the groups due to disagreements on various issues in the settelement. Finally application under Section 9 of Arbitration and Conciliation Act 1996 was moved by SG Group before the Hon'ble Delhi High Court for expeditious execution of MOFS.

Obligation completed during Financial Year 2012-13

In terms of court order dated 30-5-2012 following compliances were made

- Garg Group made a part payment of Rs 145 lacs to RG Group
- Garg Group made payment of Rs. 200 lacs to ANG Group
- Garg Group , RG Group & ANG Group exchange their respective shareholdings.

Obligation completed during Financial Year 2013-14

In terms of court order dated 10-5-2013 one compliance was made i.e.

- Garg Group acquired two unils of Mahaan Foods Limited namely MB and MN along with assets and liabilities

Obligation completed during Financial Year 2016-17

During the year RG Group and SG Group exchanged their respective shareholding under each group. The balance of assets and liabilities transferred under family settlement have been shown as exceptional item.

Pending obligations as on 31.03.2017

Obligation mentioned at serial no. (d), (g), (h) above are pending as on date Few book balances are yet to be squared up in view of obligations/transactions which are pending under MOFS as on the date of Balance Sheet.

Note - 33 Additional information pursuant to the provision of part-II of Schedule VI to the Companies Act, 1956 (Figures in brackets are in respect of previous year.)

A. Capacities, Production, Stocks and Sales:

Class of goods	Opening stock As on 01.04.16		Purchase Qty. Kgs.	Sales		Closing stock As on 31.03.17		Shortage Qty. Kgs.
	Qty. Kgs.	Amount Rs.		Qty. Kgs.	Amount Rs.	Qty. Kgs.	Amount Rs.	
1. Permeate Powder	0	0	200 Mt	200 Mt	1,70,19,903	0	0	-
Total	0	0	200 Mt	200 Mt	1,70,19,903	0	0	-

Note: Goods manufactured for others:

B. Licensed Capacity:

Not applicable, as per notification No. 477(E) dated 25.7.91 issued under the Industries (Development & Regulation) Act, 1956.

C. Installed Capacity:

Not Applicable. Company has not done manufacturing activity during the year.

D. Raw Material Consumed:

Name of items	Current year		Previous year	
	Qty. Kgs.	Value (Rs.)	Qty. Kgs.	Value (Rs.)
1. Skimmed/Partly skimmed/Concentrate milk	0	0	0	0
2. Milk powder	0	0	0	0
3. Sugar	0	0	0	0
4. Maize Starch	0	0	0	0
5. Others	0	0	0	0
	0	0	0	-

E. Value of Imported and Indigenous Raw Materials and Stores & spares consumed and percentage of each to the total consumption.

Particulars	Current year		Previous year	
	Value (Rs.)	% age	Value (Rs.)	% age
1. Raw materials				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	0	0	0	0
Total	0	0	0	100
2. Spare parts & components				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	0	0	0	0
Total	0	0	0	0

F. EXPENDITURE IN FOREIGN CURRENCY

Particulars	Current year	Previous year
	Rs.	Rs.
- Travelling	NIL	NIL
- Purchases of Finished goods	1,05,86,862	NIL

Note 34 General

- Figures have been rounded off to nearest rupee.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

AUDITORS' REPORT

As per our report of even date attached.

For D.D. Nagpal & Co.
Chartered Accountants

For Mahaan Foods Limited

Sd/-

D D Nagpal

FCA

Membership No. 85366

Firm's Registration No.006413N

Sd/-
(Jitender Singh Bisht)

CFO

PAN : BDRPB0631F

Sd/-
(Vijay Gupta)

Company Secretary

Mem. No. A29731

Sd/-
(Saloni Goyal)

Director

DIN : 00400832

Sd/-
Sanjeev Goyal

Managing Director

DIN : 00221099

Date: 30.05.2017

Place: New Delhi



FORM NO.: MGT - 11: PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014

30th ANNUAL GENERAL MEETING

Thursday, 28th September, 2017

CIN: L15419HP1987PLC007356

Name: Mahaan Foods Limited

Registered Office: Highwinds, National Highway 22, Village Datyar, Parwanoo, Himachal Pradesh-173220

Website: www.mahaanfoods.com

Name of the member(s): _____ Registered Address: _____ _____ E-mail ID: _____ Folio No. / Client ID No.: _____ DP ID: _____
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I/We, being the member(s) of Shares of the above named company, hereby appoint:

1. Name:.....

Address:.....

E-mail ID:

Signature:.....or failing him / her

2. Name:.....

Address:.....

E-mail ID:.....

Signature:.....or failing him / her

3. Name:.....

Address:.....

.....

E-mail ID:.....

Signature:.....or failing him / her

As my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 30th Annual General Meeting of the company to be held on Thursday, 28th September, 2017 at 2:00P.M. at RVCC, Sector-5, Parwanoo, Himachal Pradesh-173220 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolutions
1.	Adoption of the Financial Statements of the Company for the year ended 31st March, 2017 together with the reports of the Directors' and Auditors' thereon.
2.	Re-appointment of Mrs. Saloni Goyal as a Director.
3.	Ratification of appointment of M/s D D Nagpal & Co. Chartered Accountants as Statutory Auditors of the Company
4.	Approval of Related Party Transaction

Signed thisday of 20.....

Signature of shareholder(s)Signature of Proxy holder(s)

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**
- 2. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/ Depository Participant.**
- 3. A Proxy need not be a Member.**

**Affix
Revenue Stamp**

Mahaan Foods Limited

CIN: L15419HP1987PLC007356

Reg. Office: Highwinds, National Highway 22, Village Datyar, Parwanoo, Himachal Pradesh-173220

Attendance Slip

30th Annual General Meeting

Thursday, 28th September, 2017

DP ID- Client ID No./ Folio No.....

No. of Share(s) held:.....

Name of the Member / Proxy:.....

Address of the Member:.....

I/ We hereby record my/our presence at the 30th Annual General Meeting of Mahaan Foods Limited held on Thursday 28th September, 2017 at 2:00 P.M. at RVCC, Sector -5, Parwanoo, Himachal Pradesh-173220

.....
Signature of Member/ Proxy

Notes:

- 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.**
- 2. Members are informed that no duplicate slips will be issued at the venue of the meeting and are requested to bring this slip for the Meeting.**

COURIER

If undelivered, please return to:

Mahaan Foods Limited
M-19, 1st Floor, M-Block Market, Greater Kailash - II, New Delhi - 110048