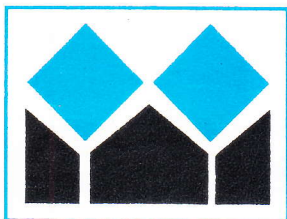


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Annual Report **2007 - 2008**



MAHAN
INDUSTRIES
LIMITED

BOARD OF DIRECTORS

Shri Y. K. Gupta - Managing Director
Shri Manik Dattatery - Director
Shri Lalit Sharma - Independent Director
Chanekya Shukla - Independent Director
Kalpesh Trivedi - Independent Director

BANKERS

Centurion Bank, C.G. Road,
Ahmedabad.

AUDITORS

KANDHAR & PARIKH
Chartered Accountants
Ahmedabad

REGISTERED OFFICE & INVESTOR'S SERVICE DEPT.

3rd Floor, D.K. House,
Nr. Mithakhali Underbridge,
Ellisbridge,
Ahmedabad - 380 006.



DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting you the 14th Annual Reports of the company together with the Audited Accounts for the year ended on March 31, 2008.

FINANCIAL RESULTS:

The Operating results of your Company for the period under review are as follows:

Particulars	(Rs. in Lacs)	
	Current Year 31.03.2008	Previous Year 31.3.2007
Loss before Depreciation & Tax	10403463	54812702
Depreciation	329103	328008
Loss before Tax	10732566	55140710
Provisions for Fringe Benefit Tax	20650	25220 *
Loss after tax	10753216	55172287
Balance of previous year brought forward	(53510505)	1661782
Loss carried forward to Balance Sheet	64263720	53510505

* includes Rs. 6357/- of previous year

DIVIDEND:

Your Directors do not recommend any dividend for the year.

PERFORMANCE

The loss before depreciation and tax was at Rs. 10403463 as against previous year loss of Rs. 54812702. The depreciation was at Rs. 329103 as against previous year Rs. 328008. The loss after Depreciation tax was at Rs. 10753216 as against previous year loss of Rs. 55172287. The board is exploring possibility of other profitable venture and is hopeful of improved result in years to come.

MAHAN INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors of the company during the year tried the possibilities to develop the business so as to get the better returns to its shareholders. The company during the financial year traded in financial securities looking to the present scenario of overall economic growth. At present the company look forward to meet all challenges and trying to explore possibilities in the other business details of which will be made public when concrete plans are made.

The company has an adequate internal control system. The audit committee frequently meets to review the financial performance of the company.

DIRECTORS:

Shri Manik Dattatrey and Chanakya Shukla retires by rotation and being eligible offers themselves for reappointment. Members are requested to reappoint them.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the listing agreement the report on Corporate Governance is attached which forms part of the Directors Report.

AUDITORS AND AUDIT REPORT

M/s Khandhar & Parikh, Chartered Accountants, the Auditors of the Company retire at the conclusion of the 14th Annual General Meeting & being eligible offer themselves for re-appointment. The Company has received a letter from the auditors of the Company stating that their appointment, if made will be within the limits specified in Section 224 (1B) of the Companies Act, 1956. Your Directors recommend their appointment.

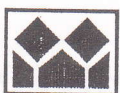
The observations made by the Auditors' in their report are self-explanatory and therefore, do not call for any comments.

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

The company has no manufacturing activities. Hence there is no information to submit in respect of conservation and absorption of technology. There is no foreign exchange earnings and outgo.

DEPOSITS:

The Company has not accepted any deposits coming under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of deposits) Rules 1975.



PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended are not applicable to the Company, as there are no employees whose remuneration is in excess of the limits prescribed.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors' confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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 for the period ended on March 31, 2008 and of the profit or loss of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the valuable assistance and co-operation extended by the Bankers, vendors, customers, advisors, the general public and for the valued efforts and dedication shown by the Company employees at all levels. Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders of the Company.

For and on behalf of the Board

Date : 04-09-2008
Place : Ahmedabad

Yogendra Kumar Gupta
Managing Director

MAHAN INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Annexure to the Directors Report

CORPORATE GOVERNANCE DISCLOSURE

In Compliance with clause 49 of the Listing Agreement with Stock Exchange, the matters mentioned in the said clause and practice as followed by the Company:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy is to conduct its affairs in a manner which is transparent, Clear and evident to those dealing with or having a stake in the company namely shareholders, lenders, creditors and employees. The Company's philosophy on corporate Governance is thus concerned with the ethics and values of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to share holders and other beneficiaries for their action.

The Company is committed to provide high quality product and services to its customers and stakeholders, because the company believes that its long-term survival is entirely dependent on good corporate governance.

2. BOARD OF DIRECTORS:

The present strength of the Board of Directors is 5 (five). The Board of the Company comprises of 2 executive Directors and three independent Directors as on 31st March 2008.

Attendance of each Director at the Board Meetings and last Annual General Meeting :

Sr. No	Name of Directors	Designation	Board Meeting Attended	Attendance at Last AGM	No. of Directorships In the other public	No. of Chairmanship in other



					Companies	board /committee.
1.	Mr. Y.K. Gupta	Managing Director	5	Yes	Nil	Nil
2.	Mr. Manik Dattatreya	Director Executive	5	Yes	Nil	Nil
3.	Mr. Lalit Sharma	Independent and Non – Executive Director	5	Yes	Nil	Nil
4	Chanakya Shukla	Independent and Non – Executive Director	5	–	Nil	Nil
5	Kalpesh Trivedi	Independent and Non - Director	5	–	Nil	Nil

Five Board meetings were held during the year. The dates of Board meeting are as : 30/4/2007, 31/7/2007, 1/09/2007, 31/10/2007 and 31/1/2008

The information required to be given for the Directors seeking reappointment at the Annual General Meeting as per clause 49 (VI) is as under :

Name of the Director	Dattatreya Manik
Father Name	Chandrakant Manik
Date of Birth	29 – 08 – 1970
Date of Appointment	31- 12 - 2003
Qualification	Commerce Graduate
Name of the Public limited Company(ies) in which he is a director other than Mahan Industries Limited	Nil
Specific functional Areas	He has expertise in the field of accountancy, finance and administration
Name of the Director	Chanakya Shukla
Father Name	Indravadan Shukla
Date of Birth	20/8/1978

MAHAN INDUSTRIES LIMITED

Date of Appointment	30 -12- 2005
Qualification	Master of Science
Name of the Public limited	Nil
Companie(s) in which he is a director other than Mahan Industries Limited	
Specific functional Areas	He has expertise in the field of accountancy, finance, human resources and administration

3. REMUNERATION TO DIRECTORS :

Sr. No	Name of Directors	Salary Rs.	Benefits Rs.	Commission Rs.	Meeting Fees Rs.	Total RS.
1.	Mr. Y.K. Gupta	Nil	Nil	Nil	Nil	Nil
2.	Mr. Lalit Sharma	Nil	Nil	Nil	Nil	Nil
3.	Mr. Manik Dattatreya	104000	Nil	Nil	Nil	Nil
4	Mr. Chanakya Shukla	Nil	Nil	Nil	Nil	Nil
5	Mr. Kalpesh Trivedi	Nil	Nil	Nil	Nil	Nil

4. BOARD COMMITTEES:

The Company is following the procedures and practices in conformity with the code of corporate governance in keeping with the spirit of the code. The board has constituted the following committees:

A. AUDIT COMMITTEE:

The Board of Directors of the Company has constituted an audit committee pursuant to the provisions of Section 292A of the Companies Act, 1956 to ensure full compliance with all the relevant provisions including code of corporate governance.

The Audit Committee is comprising of 3 (three) members composed of 2 Independent Directors and 1 Executive Director viz. Mr. Lalit Sharma, Chairman and Mr. Kalpesh Trivedi (having financial and accounting knowledge) and Mr. Y. K. Gupta, Member. The committee carries out



functions enumerated in the listing agreement and section 292A of the Companies Act. 1956.

During the year under the review the audit committee met 5 (five) times on 30/4/2007, 31/7/2007, 1/09/2007, 31/10/2007 and 31/1/2008.

B. REMUNERATION COMMITTEE:

- I. Remuneration committee not being a statutory requirement has not been constituted.
- II. Remuneration of employees mainly consists of fixed salaries i.e. Basic pay allowances and perquisites, which varies with different grades and is related to the qualification experience and responsibilities shared by the employees:-

C. SHAREHOLDERS COMMITTEE:

Share Transfer and Investors Grievance Committee:

The shareholder's investors Grievance Committee comprises of Mr. Y. K. Gupta, Mr. Manik Dattatrey and Mr. Kalpesh Trivedi - as members. The Share Transfer committee approves transfers, transmission issue of duplicate share certificates, approval of demat position. The investors Grievance committee consisted of the aforesaid members look after the matters related to the grievances of the shareholders as and when received. During the period all the complaints received by the company were resolved to the satisfaction of the complainants. At the end of the period there is no pending share transfer of complaints.

5. GENERAL BODY MEETINGS:

The last three annual General Meetings were held as under:

Sr. No	Financial Year	Date	Time	Location
1	2004-2005	30/12/2005	11.00 a.m.	Registered office at 3 rd Floor, D.K. House, Nr. Mithakali Under Bridge, Ahmedabad - 380006
2	2005-2006	30/09/2006	10.00 a.m.	Registered office at 3 rd

MAHAN INDUSTRIES LIMITED

				Floor, D.K. House, Nr. Mithakali Under Bridge, Ahmedabad - 380006
3	2006 - 2007	29/09/2007	11.00 a.m.	Registered office at 3 rd Floor, D.K. House, Nr. Mithakali Under Bridge, Ahmedabad - 380006

The company has passed special resolution at the annual general meeting held on 30th December, 2005 and 30th September, 2006.

No resolution was proposed to be passed through postal ballot. No resolution is propose to pass through postal ballot at this annual general meeting.

6. MEANS OF COMMUNICATION:

Your company complies with Clause 41 of the Listing Agreement. Quarterly Results, Annual Result and other statutory publications are being normally published in The News Line (Gujarati) & CHANAKYA NI POTH (English).

7. CODE OF CONDUCT

The Board of Directors has already adopted the Code of Ethics and Business Conduct for the Directors and Senior Management personnel. This code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration given by the Managing Director and CEO is given below :

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2007 – 2008."

Sd/-



(Yogendrakumar Gupta)
(Managing Director)

Subsidiary Company : The Company does not have any subsidiary company.

8. GENERAL SHAEHOLDER INFORMATION:

(i)	Annual General Meeting Date, Time and Venue	Date : 30 th September, 2008 Time : 10.00 A.M. Venue : Registered Office at 3 rd Floor, D.K. House, Nr. Mithakali Under Bridge, Ahmedabad – 380006
(ii)	Financial Calendar Year	1 st April, 2007 to 31 st March, 2008
(iii)	Date of Book Closure	23 rd September, 2008 to 30 th September, 2008 (both days inclusive)
(iv)	Dividend Payment Date	Not applicable
(v)	ISIN No. for ordinary shares of the company in Demat form	INE735D01017
(vi)	Registered Office	3 rd Floor, D. K. House, Nr. Mithakhali Underbridge, Ahmedabad-380006
(vii)	Registrar and Transfer Agent	M/s Pinnacle Shares Registry Private Limited, Near Asoka Mills, Naroda Road, Naroda, Ahmedabad – 380025.
(viii)	Plant Locations	Not applicable
(ix)	Investor Correspondence	Mahan Industries Limited 3 rd Floor, D. K. House, Nr. Mithakhali Underbridge, Ahmedabad-380006
(x)	Means of Communication	The company sends its quarterly results in Stock Exchanges.
(xi)	Any Website where it displays official releases	No
(xii)	Any presentation made to the institutional investor and analyst	No
(xiii)	Is half yearly report sent to the shareholders	No

MAHAN INDUSTRIES LIMITED

(xiv)	Whether Management Discussion and Analysis is a part of this report	Yes
(xv)	Share Transfer System	The work of physical share transfer is handled by Registrar and Transfer Agent.
(xvi)	Listing and Stock Code	Mumbai Stock Exchange – 531515
(xvii)	The name and address of Stock Exchanges where Company is listed	1. The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
(xviii)	Email Address for Investors Correspondence / Complaints	manik_dattatrey@yahoo.co.in

9. FINANCIAL CALENDER:

Report Period	: 1 st April, 2007 to 31 st March, 2008
First Quarter Result	: Last week of July, 2007
Half Quarter Result	: Last week of October, 2007
Third Quarter Result	: Last week of January, 2008
Fourth Quarter Result	: Last week of April, 2008

10. STOCK PRICE DATA :

Price Information :

	High and low price of shares and its comparison with BSE sensex			
Month and Year	Share Prices of the Company quoted on Bombay Stock Exchange		BSE Sensex	
	High	Low	High	Low
April, 2007	4.64	3.60	14383.72	12425.52
May, 2007	3.78	3.11	14576.37	13554.34
June, 2007	4.38	3.58	14683.36	13946.99
July, 2007	4.51	2.97	15868.85	14638.88
August, 2007	4.87	3.87	15542.40	13779.88
September, 2007	4.93	3.65	17361.47	15323.05
October, 2007	4.00	3.08	20238.16	17144.58
November, 2007	3.35	2.90	20204.21	18182.83
December, 2007	5.81	3.08	20498.11	18886.40



January, 2008	7.77	4.42	21206.77	15332.42
February, 2008	4.20	2.68	18895.34	16457.74
March, 2008	3.10	2.09	17227.56	14677.24

The stock price data is furnished on the basis of the data available on the website of Bombay Stock Exchange.

11. SHARE HOLDING PATTERN (AS ON 31-03-2008) :

(a) Categories of Shareholders (in %)

<u>Category</u>	<u>No. of Shares</u>	<u>% of holding to total</u>
Promoters, Directors, & Associates	3729958	52.17
Corporates	781148	10.93
NRI's	-----	-----
Mutual Funds	-----	-----
Employees	-----	-----
Public	2638393	36.90
Clearing Members	501	0.01
Total:	7150000	100.00

(b) Distribution of Shares holding as on 31.03.2008

<u>No. Of Equity Share</u>	<u>No. Of Shareholders</u>	<u>Total No.Of Shares</u> <u>Face Value Rs 10 each</u>
Up to 5000	1929	982337
5001 - 10000	36	264790
10001 - 20000	23	327740
20001 - 50000	18	626565
50001 -100000	10	830510
100001 & above	9	4118058

* The Company has issued 1150000 Equity Shares which are not listed on stock Exchange.

DEMATERIALISATION OF SHARES & LIQUIDITY:

As on 31st March, 2008 487064 equity shares of the company are dematerialized with CDSL representing 6.81% of total capital. 4285236 equity

MAHAN INDUSTRIES LIMITED

shares are dematerialized with NSDL representing 59.94% of total capital. The Balance 23777700 equity shares are held in physical form.

Auditors : M/s. Khandhar & Parikh, Chartered Accountants

Compliance Officer : Mr. Manik Dattatreya

11. CORPORATE OFFICE:

3rd Floor, D.K. House, Nr. Mithakhali Under Bridge,
Ellisbridge, Ahmedabad. 380006

DISCLOSURES

Materially significant related party transactions

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, directors or the management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large

Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: NIL

By Order of the Board
FOR MAHAN INDUSTRIES LIMITED

Date : 04-09-2008
Place : Ahmedabad

Yogendra Kumar Gupta
Managing Director



Auditors Certificate on Compliance with the condition of Corporate Governance under Clause 49 of the Listing Agreement.

To the members of Mahan Industries Limited,

We have examined the compliance of corporate governance by Mahan Industries Ltd. for the financial year ended 31st March, 2008 stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange of India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the company for ensuring the compliance of the condition of corporate governance. It is neither an audit nor expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the financial year ended 31.03.2008, no investor grievances are pending against the company for a period exceeding one month as per record maintained by the company which are presented to the shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 04/09/2008

VASANT PATEL
PARTNER

KHANDHAR & PARIKH
Chartered Accountants
Ahmedabad

AUDITORS' REPORT

To the members of
Mahan Industries Limited

1. We have audited the attached Balance Sheet of **MAHAN INDUSTRIES LIMITED** for the year ended 31st March, 2008 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.
4. Further, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;



- (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956 *except for:*
-AS-15 (Revised) and Disclosure requirements as required by the said AS are not complied with

-AS-9 where sale purchase transaction of traded shares are not recorded, though records are maintained and only Profit/Loss on such trading are taken in the Profit & Loss Account. This, of course does not affect the Profit / Loss of the year.

- (e) On the basis of written representations received from the Directors of the company as at March 31, 2008 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub- section (1) of section 274 of the Companies Act, 1956.

- (f) The company has not provided for interest on bank borrowings for the earlier years and since the bank from whom the company has borrowed the money is closed the further interest till date is not ascertainable and the same is not provided and to that extent loss is understated.

Subject to the above and read together with Notes to Accounts the said Statements of Account, in our opinion and to the best of our information and according to the explanations given to us, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in accordance with the accounting principles generally accepted in India :

- (I) in case of the Balance Sheet , of the state of Affairs of the company as at 31st March, 2008.
- (II) in case of the Profit & Loss Account , of the Loss for the year ended on that date and
- (III) in case of the cash flow statement, of the cash flows for the year ended on that date.

For Khandhar & Parikh
Chartered Accountants

(Vasant Patel)
Partner

Ahmedabad: 04.09.2008

MAHAN INDUSTRIES LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

(Referred in paragraph (1) of report of even date)

- (i) a The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.
- c In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
- (ii) a The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c The Company is maintaining proper records of inventory and no material discrepancies were noticed on the physically verification.
- (iii) a According to the information given to us the company has not granted loans to parties covered in the register maintained u/s 301 of the companies Act,1956.
- b Not applicable
- c Not Applicable
- d Not applicable
- e According to the the information given to us the company has taken loans from one party covered in the register maintained u/s 301 of the Companies Act,1956 . The maximum amount involved during the year is Rs. 78.13 lacs and the year end balance of such loans taken is 73.06 Lacs.
- f As per the information given to us the loans taken by the company are interest free and there are no specific terms and conditions and as such the loans are prima facie not prejudicial to the interest of the company.
- g The loans taken are interest free and without any specific terms and conditions and hence we have no comments to offer.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) a According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered
- b In our Opinion & according to the information & explanations given to us , the company has not entered into any transaction with the parties during the year in pursuance of contract & arrangement entered in the register maintained under 301 of the Companies act, 1956 .
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act,1956, and the rules framed thereunder.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred in paragraph (1) of report of even date)

- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) To the best of our knowledge, the Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any of the products of the company.
- (ix) a According to the information and explanation given to us and according to the books and records as produced and examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities.



- b According to the records of the company, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax or Cess which has not been deposited on account of any dispute. However in respect of Income tax for the A.Y.2001-02 demand of Rs.2225639/- was reduced to Rs.49490/- by CIT (A) but the department has preferred an appeal and the same is pending with ITAT.
- (x) The company has accumulated losses exceeding fifty percent of its net worth and has also incurred cash losses during the financial year. However, the company has not incurred any cash loss during the immediately preceding financial year.
- (xi) The company has defaulted in payment of dues to banks. Since the bank is closed and the amount outstanding is taken as per the books of accounts the entire amount is overdue.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi Fund or a Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- a Not applicable
- b Not applicable
- c Not applicable
- d Not applicable
- (xiv) In our opinion, proper records have been maintained of the transactions and contracts of trading in shares, securities, debentures and other investments and timely entries have been made therein. All stocks of trading shares have been held by the company except to the extent of exemption if any granted under section 49 of the Act.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to information and explanation given to us and on an overall examination we report that the company has not taken any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that short term funds have not been used to finance long term investments.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) During the year, since the company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported.

Place :: Ahmedabad

Date :: 04.09.2008

For, KHANDHAR & PARIKH
Chartered Accountants

VASANT PATEL

Partner

M / No. :: 44612

Address ::

58 White House, Panchvati, Ahmedabad

MAHAN INDUSTRIES LIMITED

BALANCE SHEET AS ON 31st March,2008

(AMOUNT IN RUPEES)			
PARTICULARS	SCHEDULE NO.	AS ON 31.03.2008	AS ON 31.03.2007
I SOURCES OF FUNDS:			
1 Share holder's funds			
a. Share Capital	1	71500000	71500000
a. Secured Loans	2	7587811	24837346
b. Unsecured Loans	3	127431524	107181726
		<u>206519335</u>	<u>203519072</u>
II APPLICATION OF FUNDS:			
1 Fixed Assets	4		
Gross Block		3675880	4203365
Less: Depreciation		<u>1700931</u>	<u>1572273</u>
		1974949	2631092
2 Investments	5	2034304	4251299
3 Current Assets Loans & Advances			
a. Current Assets	6	18690854	42798653
b. Loans & Advances & Deposits	7	<u>150628050</u>	<u>129904007</u>
		169318904	172702660
4 Less: Current Liabilities & Provisions	8	<u>31072542</u>	<u>29605485</u>
5 Net Current Assets		138246362	143097175
6 Miscellaneous Expenditure	9	0	29001
(To the extent not written off or adjusted)			
7 Profit & Loss Account		64263720	53510505
8 Notes on Accounts	14	<u>206519335</u>	<u>203519072</u>

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS

Y.K. GUPTA

- DIRECTOR

PARTNER

LALIT SHARMA

- DIRECTOR

PLACE : AHMEDABAD

DATE : 04-09-2008



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st March, 2008

		AS ON 31.03.2008	AS ON 31.03.2007
INCOME			
Income From Financial Activity & Security trading	10	-5058965	-54328804
Profit on sale of Fixed Accets		12960	0
Other income	11	0	24000
Profit on sale of investment(long term)		0	10279922
TOTAL (A)		-5046005	-44024882
EXPENDITURE			
Purchases Cost		0	132907
Administrative, Selling & Other Exp.	12	735172	1621222
Interest expenses	13	1643495	8990646
Audit Fees		14045	14045
Bad Debts		718750	0
Decrease in valu of investment		2216996	0
Preliminary & Public Issue Exp. (W/O)	9	29000	29000
Depreciation	4	329103	328008
TOTAL (B)		5686561	11115828
PROFIT BEFORE TAX		-10732566	-55140710
PROVISION FOR INCOME TAX		0	0
FRINGE BENEFIT TAX (PREVIOUS YEAR)		0	6357
FRINGE BENEFIT TAX (CURRENT YEAR)		20650	25220
PROFIT AFTER TAX		-10753216	-55172287
ADD : BALANCE BROUGHT FORWARD		-53510505	1661782
NET LOSS C/F TO BALANCE SHEET		-64263720	-53510505
Basic Earning Per Shares		-1.50	-7.71
Diluted Earning Per Shares (Ref Note 15 Schedule 17)		-1.50	-7.71

AS PER OUR REPORT OF EVEN DATE

FOR KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS

PARTNER

PLACE : AHMEDABAD
DATE : 04-09-2008

FOR AND ON BEHALF OF THE BOARD

Y.K. GUPTA - DIRECTOR

LALIT SHARMA - DIRECTOR

MAHAN INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31st March, 2008

SCHEDULE : 1 : SHARE CAPITAL

AUTHORISED
7300000 (7300000) Equity share of Rs. 10/-each

ISSUED, SUBSCRIBED & FULLY PAID UP
7150000 (7150000) Equity share of Rs. 10/-each

(AMOUNT IN RUPEES)

AS ON AS ON
31.03.2008 31.03.2007

73000000 73000000

71500000 71500000

SCHEDULE : 2 : SECURED LOANS

- a Working Capital from Scheduled Bank
Against Hypothecation of Stock & Book Debts and collateral security of Office Premises & Personal guarantee of Directors
ICICI Car Loan (Ag.Hypo Car)
- b Loan Against Shares from Finance companies
Secured against pledge of Shares

3039893 3039893

195736 307254

4352182 21490199

7587811 24837346

SCHEDULE : 3 : UNSECURED LOANS

From Directors
Inter Corporate Deposit

7306224 6942671

120125300 100239055

127431524 107181726

SCHEDULE : 4 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2007	ADDITION DURING THE YEAR	SALE DURING THE YEAR	AS ON 31.03.2008	UP TO 31.03.2007	DURING THE YEAR	ADJUST- MENT	AS ON 31.03.2008	AS ON 01.04.2007	AS ON 31.03.2007
Air conditioner/coole	93315			93315	35343	4432		39775	53540	57972
Computer	392966			392966	349336	43630		392966	0	43630
Electric Fittings	48233			48233	25686	2291		27977	20256	22547
Epabx Equipment	15649			15649	8310	743		9053	6596	7339
Furniture & fixtures	504436			504436	347266	31931		379197	125239	157170
Machinery	38300			38300	7994	1819		9813	28487	30306
Motor Car	1666749		527485	1139264	422912	158341	200445	380808	758456	1243837
Office Equipment	78291			78291	32824	3720		36544	41747	45467
Office Premises	954322			954322	178589	15556		194145	760177	775733
Printer	411104			411104	164013	66640		230653	180451	247091
Total	4203365			3675880	1572273	329103		1700931	1974949	2631092
PREVIOUS YEAR FIGURE	3804287	399078		4203365	1244265	328008		1572273	2631092	2560022



SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31st March, 2008

(AMOUNT IN RUPEES)

SCHEDULE : 5 : INVESTMENTS

QUOTED SHARES

- * Jhonmeyers Granites Ltd.
- * Kanhaiya Foods Ltd.
- * Karan Fibers & Fabrics Ltd.
- Spenta Finance Ltd.

QTY NOS.	COST 31.03.2008	COST 31.03.2007
10000	1	154000
2900	1	64925
197900	1	1990450
500	1	7625
a	4	2217000

UNQUOTED SHARES (AT COST)

- D.K. Association
- Charotar Housing Corporation
- Chase Infotech Ltd.
- Ujala Finstock pvt. Ltd.

3	300	300
1000	10000	10000
184400	1844000	1844000
3600	180000	180000
b.	2034300	2034300
Total a+b	2034304	4251299

NOTES :

- 1 Aggregate value of Quoted Investment is taken Rs 1/-
(Quoted shares is delisted so taken value of Rs. 1/-)

4 2217000

- 2 Aggregate value of Unquoted Investments at Cost Price

2034300 2034300

SCHEDULE : 6 : CURRENT ASSETS

- 1 Stock in Trade
(as taken valued & Certified by Director at
Cost or Market Value which ever is lower)

4254090 27439882

- 2 Sundry Debtors
(Unsecured & considered Good)
Over six Months

14045307	14771549
14045307	14771549

- 3 Cash in Hand (as certified by the Director)
- 4 Bank Balance

295373	437489
96084	149733
18690854	42798653

MAHAN INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31st March, 2008

	(AMOUNT IN RUPEES)	
	AS ON	AS ON
	31.03.2008	31.03.2007
SCHEDULE : 7 : LOANS & ADVANCES & DEPOSITS		
(Unsecured considred good)		
Advance receivable in cash in kind for value to be received		
Loan & Advances	150291562	129707797
Tax Deducted at Sources	336488	196210
	150628050	129904007

SCHEDULE : 8 : CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	30971709	29460040
Other Current Liabilities	59312	120424
a	31031021	29580464

PROVISIONS

Audit Fee Payable	14045	14045
Expenses Payable	27476	10976
b.	41521	25021
Total a+b	31072542	29605485

SCHEDULE : 9 :

MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED

a. Preliminary Exp.	29000	58001
Less : Written off	29000	29001
	0	29000

SCHEDULE : 10 : INCOME FROM FINANCIAL ACTIVITY & SHARE TRADING

Interest on Loan & Deposits	633699	402044
Profit/Loss From Shares	-5796707	-55100011
Dividend	104043	235547
	-5058965	-54462420

	(AMOUNT IN RUPEES)	
	AS ON	AS ON
	31.03.2008	31.03.2007

SCHEDULE : 11 : OTHER INCOME

Rent Income	0	24000
	0	24000



SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31st March, 2008

SCHEDULE : 12 : ADMINISTRATION , SELLING & OTHER EXP.

Advertisement exp.	11802	10878
Bank Charges	1285	10921
Books & Periodicals	1177	3694
Consultancy Exp.	22000	30000
Conveyance, Petrol & Traveling Exp.	47938	453957
Director's Remuneration	104000	37500
Donation	0	5000
Electricity Exp.	62178	32912
Filing Fee	1700	3500
Insurance Exp.	8839	16463
Legal & mortgage Exp.	0	6738
Listing Fee	35000	85000
NSDL-CDSL CHARGES	33808	22448
Office Expenses & Misc. Exp.	13615	5112
Office Maintenance	10800	10800
Postage Exp.	1577	1569
Printing & Stationery	31108	31721
Rent, Rates & Taxes	0	1000
Repair & Maintenance Exp.	71930	23938
Salary, Bonus & Out sourcing Exp.	43239	48627
Share Transfer & Stamping Exp.	15439	3503
Staff welfare Expenses	33231	20158
Telephone & Internate Expenses	82445	64094
Service Tax & Other Charges	64524	603329
Transaction Charges	37537	88361
TOTAL	735172	1621222

(AMOUNT IN RUPEES)

AS ON	AS ON
31.03.2008	31.03.2007

SCHEDULE : 13 : INTEREST EXPENSES :

BANK INTEREST	0	27997
INTEREST ON ICD	641024	389346
INTEREST ON MARGIN FUNDING FOR PURCHASE OF SHARE	1002471	8573303
	1643495	8990646

MAHAN INDUSTRIES LIMITED

Schedule forming part of the Balance Sheet as on 31st March 2008.

Schedule: 14 Notes to Accounts

01. Statement of Significant Accounting Policies:

a. Basis of Preparation

The financial statements have been prepared to company in all material respects with the Notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provision of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis.

The accounting policies have been consistently applied by the Company and except for the change in accounting policy discussed more fully below are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period ended. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue and Expenditure Recognition:

Income is recognized as under:

- i. Project consultancy and other activities:
Income recognized upon completion of stages as per contracts.
- ii. It is general policy of Company to account for all expenditure on accrual basis.

d. Fixed Assets and Depreciation:

- i. Fixed Assets are capitalized at cost inclusive of installation expenses. Fixed Assets are shown at cost less accumulated depreciation.
- ii. Depreciation has been charged by straight line method (SLM) at the rates prescribed in schedule XIV to the Companies Act, 1956 on pro-rata basis.

e. Investments:

- a) Quoted **Share are delisted so taken value of Rs.1/-** and Un-quoted securities are valued at cost.
- b) Income from dividends recognized upon receipt and the gains at the time of sale of investments. Interests from inter corporate deposit recognized on accrual basis. Securities purchased cum interest shown at cost on balance sheet date after reducing interest accrued there on from the purchase consideration.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

f. Valuation of stocks in trade:

- a) Stock in trade of quoted Scripts are taken at year end and closing market rate or cost whichever is lower.



- g. Deferred Tax:
The effect at end of the year consequent to compliance with Accounting Standard 22 "Accounting for Taxes on Income" result in deferred tax asset & the same has been not recognized as there is not virtual certainty to support that sufficient future taxable income will be available against such deferred tax assets.
- h. Segment Reporting :
During the current year the company has dealt in shares hence the segment information required under segment reporting is not furnished.
2. The Company is registered with RBI vide Reg. No.01-00247 dt.16.5.1998; as Non deposit taking Non Banking Finance Company.
3. The balance of loans and advances, Sundry Debtors, Sundry Creditors and Current Liabilities and classification under the above heads, in absence of any documentary support, given and accepted as agreed by management, are subject to confirmations.
4. Previous year figure's have been regrouped and rearranged wherever necessary. However figures for the current year is for nine months end hence not comparable.
5. Earnings/ Expenditure in foreign Exchange - NIL
6. Expenditure of employees in respect of remuneration of not less than Rs. 24, 00,000/- per year or Rs. 2,00,000/- per month if employed for the part of the year is NIL.
7. Contingent liabilities for following items has provided for is Rs. NIL (Previous year Rs.NIL).
- Income Tax demand for the Asst. Year 2001-02. The company has gone in appeal with CIT (A) against the order of ITO for assessment year 2001-02. The original demand was Rs.2225639/- was reduced to Rs. 46490/- by the CIT (A).Which was duly paid the department has filed the appeal in I.T.A.T. against this order; the appeal in ITAT is pending.
8. No provision of the gratuity has been made, as no employee is entitled for the same.
9. No provision for interest for current year amounting to Rs. 364787/- Previous year 364787/- totaling to 729574/-has been made as with books of A/c. Company applied for OTS and matter is pending & the outstanding amount of loan as per Books is 3039893/-is subject to confirmation from Bank statement, since bank is closed.
10. Due to Loss no provision for income tax is required.
11. The company has made an application to BSE for listing of 11,50,000 Equity shares issued amounting to Rs. 1,15,00,000/-. Which has been rejected and as such these share are not tradable .Company is taking necessary action for rectification of the same.
12. Profit and Loss from the Trading of the Shares:

PARTICULARS	31.03.2008		31.03.2007	
	Qty.	Amount Rs.	Qty.	Amount Rs.
Sales	433722	24344607	5087381	502054416
Closing Stock	190429	4254090	619785	27439882
Total (a)	624151	28598697	5707166	529494298

MAHAN INDUSTRIES LIMITED

Less: Opening Stock	619785	27439882	2320776	169873053
Purchases/Allotment	4366	4430415	3386390	415948878
Net Profit in Vallan Transaction & future trading	--	(2376798)	--	-1227623
Total (b)	624151	34247095	5707166	584594308
Net Profit /(Loss) to P & L A/c.		-5648398		-55100010

13. Quantitative details of trading of Cloth, Coke, Chemicals, Building Material etc.

Sr no	Particulars	Units	Opening. Stock		Purchases		Turnover		Closing. Stock	
			Qty	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
1	Bldg. Material		----	----	-----	-----	-----	-----	-----	-----
	a. Cement 2007-08	Bags	----	----						
	2006-07		----	----	1424	132907	1424	133616	-----	-----

14. Particulars of payment made to Auditors:

	2007-2008	2006-2007
Audit fees(including Service Tax)	Rs. 14045/-	Rs. 14030/-

15. Managerial Remuneration Paid to the Director

Rs. 104000/-	37500/-
--------------	---------

16. Related Party Disclosures:

- a) Name of Key Management Personnel:
 - Mr. Y K Gupta - Managing Director
 - Mr. Manik Dattatrey C. Director
- b) Transactions during the year with key management personnel:
 - i) Director Remuneration RS. 104000/-
- c) Outstanding Balance
 - i) Unsecured Loan Closing Rs. 7306224/- Rs. 6942671/-
 - ii) Maximum credit Balance outstanding Rs. 7812671/- Rs.22671035/- during the year

17. Earnings per Equity Share

	2007-2008	2006-2007
Net Profit / Loss after tax	-10753216	-55172287
No. of Shares of RS.10/- each	7150000	7150000
Basic & Diluted Earning per share (in RS.)	-1.50	-7.71

18. Paisa is rounded off to nearest rupee.

19. Wherever original bills/voucher are not available we have relied on the bills/vouchers duly authenticated by the Directors.



20. In the opinion of the Board the Current assets, Loan and Advances although unsecured considered good have the value at which they are stated in the Balance Sheet if realized in the ordinary course of business.
21. The statement of significant accounting policies and the notes no. 2 to 20 form an integral part of the accounts for the period ended on 31st March, 2008.

Signature to Schedule 1 to 14 of Balance Sheet and Profit and Loss Account.

As per our report of even date.
For, KHANDHAR & PARIKH.,
Chartered Accountants

For and on behalf of Board

Y. K. Gupta- Director

Lalit Sharma- Director

VASANT PATEL
PARTNER

Place: Ahmedabad

Date: 04-09-2008

Place: Ahmedabad

Date:

MAHAN INDUSTRIES LIMITED

CASH FLOW STATEMENT

	Year Ended 31/03/2008 Amount	Year Ended 31/03/2007 Amount
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	(10745526)	(55140710)
Adjustment for:		
Depreciation	329103	328008
Provision for MICS EXP. WRITTEN OFF	29000	29000
Income Tax Refund (paid)	(20650)	(31577)
(A)	(10408073)	(54815279)
Adjustment for:		
Current Assets	(B) 3187993	111411635
Current Liabilities	(C) 1467057	18328095
Net Cash from operating activities	D = A+B+C (5753022)	(74924451)
CASH FLOW FROM INVESTING ACTIVITY		
Sale /Purchase of Fixed Assets	34000	(399078)
Sale (Purchase) of Investment	0	598758
Net Cash Generated From investing activities	(E) 2216995	199680
B. CASH FLOW FROM FINANCE ACTIVITY		
Borrowing (Net)	3000263	(75256194)
Net Cash from financing activities	(F) 3000263	(75256194)
Add/(Less): Prior period Items	(G) 0.00	0.00
NET INCREASE IN CASH/BANK BALANCE	H=D+E+F+G (197565)	(132063)
CASH/BANK BALANCE OPENING	587222	719286
CASH/BANK BALANCE CLOSING	391457	587222

As per our report of even date attached

For, KHANDHAR & PARIKH.
Chartered Accountants

VASANT PATEL
PARTNER

Place: Ahmedabad

Date:

We have verified the attached Cash Flow Statement of MAHAN INDUSTRIES LTD. and found the same in agreement with audited P&L A/c. and Balance sheet of the same date it has been drawn in accordance with the requirement of Clause 32 of the listing agreement with the Stock Exchange.

Place: Ahmedabad

For and on behalf of Board

Y. K. Gupta – Mg. Director

Lalit Sharma - Director

For, KHANDHAR & PARIKH
Chartered Accountants

Date: 04-09-2008
VASANT PATEL

PARTNER



**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

1. Registration Details

Registration No.	24053	
Balance Sheet Date	31 st March, 2008	State Code : 004

2. Capital Raised during the year

Public Issue		Preferential Issue
Nil		Nil
Bonus Issue		Share Warrant
Nil		Nil

3. Position of Mobilisation and Deployment of funds (Rs. In Lacs)

Total Liabilities		Total Assets
2065.19		2065.19

SOURCES OF FUNDS:

Paid up Capital		Secured Loans
715.00		75.88
Unsecured Loan		
1274.32		

APPLICATION OF FUNDS:

Net Fixed Assets		Investments
19.75		20.34
Net Current Assets		Miscellaneous Exp.
1382.46		0.00
Accumulated Losses		
642.64		

4. Performance of Company (Rs. In Lacs)

Total Income (Incl. Other Income)		Total Expenditure
(-)48.98		58.35
Profit Before Tax		Profit After Tax
(-)107.33		(-) 107.53
Earning per Share		Dividend Rate %
(-) 1.50		Nil

5. Generic Names of Three Principal Products/Services of the Company

Item Code No. (ITO CODE)		Service Description
Not Applicable		Not Applicable

For and on behalf of Board

Y.K.Gupta - Managing Director

Lalit Sharma - Director

Place: Ahmedabad

Date: 04-09-2008

MAHAN INDUSTRIES LIMITED

MAHAN INDUSTRIES LIMITED

Registered Office:

3rd Floor, D.K.House, Nr. Mithakhali Under Bridge, Ahmedabad – 380 006.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Place)

14th Annual General Meeting 30th September, 2008

I/We hereby record my/our presence at the 14th Annual General Meeting held at 3rd Floor, D.K.House, Nr. Mithakhali Under Bridge, and Ahmedabad-380 006. On **Tuesday**, 30th September 2008 at 10-00a.m.

Full Name of the Member (IN BLOCK LETTERS) _____

Reg. Folio No. _____ No. of Shares held _____

Full Name of the Proxy (IN BLOCK LETTERS) _____

SIGNATURE OF THE MEMBER (s) OR PROXY/PROXIES PRESENT

(Please complete and sign this attendance slip and handover at the Registered Office, only Member (s) of their Proxies with this Attendance Slip will be allowed entry to meeting.)

Tear of

MAHAN INDUSTRIES LIMITED

Registered Office:

3rd Floor, D.K.House, Nr. Mithakhali Under Bridge, Ahmedabad – 380 006.

PROXY FORM

Reg. Folio No. _____ No. of Share held _____ I/we _____
_____ of _____ in the _____

District of _____ being a member / members of Mahan Industries Ltd., hereby

Appoint _____ of _____ in the District _____

Of or failing him/her _____ of _____ in District of _____

As my/our Proxy to attend and vote for me/us and on my/our behalf at the Thirteen Annual General Meeting of the company to be held on **Tuesday**, 30th September 2008 and at any adjournment thereof.

As witness my hand/our hands this _____ day of _____
_____ 2008.

Affix
Revenue
Stamp of
Rs. 1.

Signed by said

1. The form should be signed across the stamp as per specimen signatures registered with the Company.
2. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before time fixed for holding the aforesaid meeting.

Book - Post

**If undelivered please return to
MAHAN INDUSTRIES LTD.
3rd Floor D.K. House,
Nr. Mithakhali Under Bridge.
Ahmedabad - 380 006.**