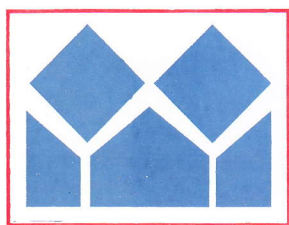


20th Annual Report 2013-2014



MAHAN
INDUSTRIES
LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

YOGENDRA KUMAR GUPTA	:	MANAGING DIRECTOR
MANIK DATTATREY	:	DIRECTOR
BHARAT SANCHALA	:	DIRECTOR
KALPESH TRIVEDI	:	INDEPENDENT DIRECTOR
CHANAKYA SHUKLA	:	INDEPENDENT DIRECTOR
LALIT SHARMA	:	INDEPENDENT DIRECTOR

REGISTERED ADDRESS

3RD FLOOR, D.K. HOUSE,
NEAR MITHAKHALI UNDERBRIDGE,
ELLISBRIDGE, AHMEDABAD-380006,
GUJRAT, INDIA.

Tel : 3024897, **Fax No:** - 26568789

Email id: - mahanint@gmail.com

BANKERS

HDFC BANK LIMITED
PALDI BRANCH AHMEDABAD

AUDITORS

DJNV & COMPANY, CHARTERED ACCOUNTANTS

REGISTRAR AND SHARE TRANSFER AGENT

ADROIT CORPORATE SERVICES INDIA PVT. LTD.
19/20, Jaferbhoy Ind. Estate, 1st floor,
Makwana Road, Marol, Andheri (East),
Mumbai - 400 059.
Tel.: +91-22-2859 6060 / 2859 4060 / 4227 0400
E-mail: info@adroitcorporate.com



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Proxy Form

Important Communication to Members

The Ministry of Corporate Affairs has taken a “**Green Initiative in the Corporate Governance**” by allowing paperless compliances by the Companies and has issued circulars stating that services of Notice/documents including Annual Report can be sent by e-mail to its Member. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Company / Registrar and Transfer Agent, **M/s. Adroit Corporate Services India Private Limited.**

NOTICE

Notice is hereby given that 20th **Annual General Meeting** of the Members of MAHAN INDUSTRIES LIMITED will be held on Tuesday, 30th day of September, 2014 at 9.00 a.m. at the Registered office of the Company at 3rd Floor, D. K. House, Nr. Mithakhali Underbridge, Ahmedabad-380006 (Gujarat) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of assets and liabilities as on March 31, 2014 and Statement of Income and Expenditure and Cash flow Statement together with the Reports of Directors' and Auditors' thereon and other documents required to be attached or annexed thereto.
2. To reappoint Mr. Dattatrey Chandrakant Manik, (holding Director Identification Number 01825572), Director of the Company, who retires by rotation and being eligible offers himself for reappointment.
3. To reappoint Mr. Bharatbhai Tapubhai Sanchala (holding Director Identification Number : 02828836) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s.N B & Associates., (Firm Registrtrion No. 137865W) in place of M/s. DJNV & Co., as Statutory Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

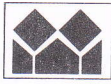
SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Lalit Sharma, (holding Director Identification Number 01552487) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Kalpesh Lalitbhai Trivedi, (holding Director Identification Number 02425210) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."



7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Chanakya Shukla, (holding Director Identification Number 02475734) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

Date :30th August, 2014
Place: Ahmedabad

By Order of the Board
Yogendra Kumar Gupta
FOR MAHAN INDUSTRIES LIMITED

Managing Director

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be the member of the company. The proxy from duly completed and signed, should be lodged with the company, at its registered office at least 48 hours before the time of the meeting. A person cannot hold more than 50 proxies
2. The relative Explanatory Statement, pursuant to section 102 (2) of the Companies Act, 2013 (corresponding to 173 (2) of the companies act, 1956), in respect of the special business under item no. 5 to 8 are annexed hereto
3. Pursuant to the provision of Section 91 of the Companies Act, 2013 (corresponding to 154 of the companies act, 1956), the registered of members and share transfer books of the company will remain closed 22nd September, 2014 to 30th September, 2014 (both the days inclusive).
4. Members are requested to intimate the change in their address, if any, immediately to the Company's Registrars, M/s Adroit Corporate Services Private Limited.
5. Members/Proxies are requested to bring their Attendance Slip duly filled up for attending the Meeting.
6. The Notice of the 20th Annual General Meeting with instruction for e-voting, along with attendance slip and proxy form is being dispatched to the Members by Post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company /Depositories) whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 29th August, 2014. Members may also note that the notice of the 20th AGM and the annual report 2013-14 will be available on the company's website www.mahan.co.in
7. Members are entitled to make nomination in respect of shares held in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (specimen available on request) to the Registered office of the Company.

- 8. Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid. The detailed instructions for e-voting is given in the Annexure.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 :

Item No. 5, 6, and 7

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Lalit Sharma, Mr. Kalpesh Lalitbhai Trivedi, Mr. Dattatrey Chandrakant Manik, and Mr. Chanakya Shukla as Independent Directors of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors. Brief profiles along with other details of the Independent Directors are as follows:

Name of the Director	Chanakya Shukla
Father Name	Shri Indravadan Shukla
Date of Birth	20.08.1978
Date of Appointment	30.12.2005
Qualification	Msc. Electronics
Name of the Companie(s) in whixh he is a director other than Mahan Industries Limited*	No
specific functional Areas	Management & system Expert
No. of equity shares held in Mahan Industries Limited	Nil



Name of the Director	Kalpesh Trivedi
Father Name	Shri Lalitbhai Trivedi
Date of Birth	07/05/1961
Date of Appointment	23.02.2006
Qualification	B.Com
Name of the Companie(s) in which he is a director other than Mahan Industries Limited*	Sawaca business Machines Limited
specific functional Areas	Software & Management Export
No. of equity shares held in Mahan Industries Limited	Nil

Name of the Director	Lalit Sharma
Father Name	Shri Kajorimal Sharma
Date of Birth	24/03/1957
Date of Appointment	31/12/1997
Qualification	Chartered Accountant
Name of the Companie(s) in which he is a director other than Mahan Industries Limited*	No
specific functional Areas	He has expertise in the field of Accounts, Taxation, Finance and Administration
No. of equity shares held in Mahan Industries Limited	Nil

* Only Public Limited Companies are considered for the purpose. Private Limited Companies are excluded for the purpose.

The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Mr. Lalit Sharma, Mr. Kalpesh Lalitbhai Trivedi and Mr. Chanakya Shukla as Independent Directors of the Company for the approval of the shareholders at the ensuing Annual General Meeting. In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of

MAHAN INDUSTRIES LIMITED

independence as provided in Section 149(6) of the Companies Act, 2013. Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 5, 6 and 7 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Information pursuant to Clause 49 of the Listing Agreement for item No. 2 and 3

Name of the Director	Shri Dattatrey Chandrakant Manik
Father Name Shri	Chandrakant Manik
Date of Birth	29/08/1970
Date of Appointment	31 st December, 2003
Name of the Public Limited Company(ies) in which he is a director other than Mahan Industries Limited *	Nil
Specific functional Areas	He has vide experience in the field of accounts and administration and management matters.
Number of Shares held in the Company	Nil

Name of the Director	Shri Bharatbhai Tapubhai Sanchala
Father Name Shri	Shri Tapubhai Sanchala
Date of Birth	20/05/1953
Date of Appointment	20/02/2010
Name of the Public Limited Company(ies) in which he is a director other than Mahan Industries Limited *	1. Shukun Construction Limited
Specific functional Areas	He has vide experience in the field of the finance, admistration and affairs of the Company
Number of Shares held in the Company	Nil

* Only Public Limited Companies are considered for the purpose. Private Limited Companies are excluded for the purpose.

By Order of the Board
FOR MAHAN INDUSTRIES LIMITED

Date :30th August,2014
Place:Ahmedabad

Yogendra Kumar Gupta
Managing Director



DIRECTORS' REPORT

To,

**The Members,
Mahan Industries Limited**

Your Company's Directors are pleased to present the 20th Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2014.

FINANCIAL PERFORMANCE

The summary of the financial result of the Company for the year under review are as under:

(Rs. in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Profit/(Loss) before Depreciation Finance Costs and Tax, Finance cost	(33012060)	(28519764)
Less: Depreciation	28557	28560
Less: finance Costs	6546232	7564872
Profit/ (Loss) Before Taxation	(26437271)	(20926332)
Less: Taxation related to previous Year	6700	0
Net Profit / (Loss) After Tax	(26443971)	(20926332)
Add: Balance from previous year of profit (Loss)	(194859392)	(173933060)
Balance of Profit / (Loss) carried to Balance Sheet	(221303363)	(194859392)

Reserves and Surplus :

The Opening balance of Profit and Loss shows a loss of Rs. 194859392/- as against (P.Y. Rs. 173933060). During the year the Company has incurred a loss of Rs. **26443971/-** as against (P.Y. Rs. 20926332). The closing Balance of Profit and Loss shows a loss of Rs. **221303363/-** as against (P.Y. Rs. **194859388**). There is no change in Capital Reserves balance. The opening and closing balance of capital reserves stands at Rs. 90.00 lacs.

PERFORMANCE REVIEW

During the financial year 2013-14, the volatility in the macroeconomic environment continued to cast its shadow and affected most of the markets where your Company operates in.

During the year under review, the Company due to International recessionary condition, high interest rates, heavy inflationary pressure, heavy Competition in the market and presence of large Market players dominating the Market has suffered adversely.

DIVIDEND

Your Directors regret their inability to recommend Dividend for the year under review.

CHANGE IN CAPITAL STRUCTURE

There is no change in the capital structure of the Company.

CODE OF CONDUCT

Pursuant to the provisions of Clause 49(1)(D) of the Listing Agreement, your Company has laid down a Code of Conduct for its Board Members and Senior Management Personnel. All the Directors and the Senior Management Personnel have affirmed compliance with the said Code of Conduct. A declaration regarding compliance by Board Members and Senior Management Personnel with the Code of Conduct for the year ended March 31, 2014 is annexed to this Report.

PUBLIC DEPOSITS

The Company has not invited or accepted any public Deposits in accordance with the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

DEPOSITORY SYSTEM

Members not having Shares in Dematerialized form are advised to avail the facility of Dematerialization through any of the nearest Depository Participants (DPs) to avoid the possibility of loss, mutilation etc, of share certificates and also to ensure safe and speedy transactions in the securities.

SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company within the meaning of Section 4 of the Companies Act, 1956.

DIRECTORS

The Board of Directors' key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its Shareholders and stakeholders.

The Board consists of a combination of Executive, Non – Executive and Independent Directors with an extensive and diverse experience in different fields of operations.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder and pursuant to provision of Article 43 of the Articles of Association of the Company, **Mr. Dattatrey Chandrakant**



Manik and Mr. Bharatbhai Tapubhai Sanchala, Directors retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for their re-appointment.

Your Directors recommended their re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that no material departures are made from the same;
- b) the Directors have selected such accounting policies and applied consistently and judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Loss of the Company for the period ended on that date;
- c) 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;
- d) the Directors have prepared the annual accounts of the Company on 'a going concern' basis.

AUDITORS AND AUDITORS' REPORT

The Company has received a notice from a member of the Company proposing M/s. N. B. & Associates., (Firm Registrtn No. 137865W) as the Statutory auditors of the Company in place of **M/s. DJVN & Company**, Chartered Accountants.

M/s. N. B. & Associates., (Firm Registrtn No. 137865W) statutory auditors, if appointed, shall hold office from the conclusion of the ensuing annual general meeting until the conclusion of next annual general meeting. The Company has also received an eligibility certificate from M/s. N.B.& Associates.,, that they are eligible for the appointment of auditors and also stating that their appointment if made will be within the limits prescribed under the provisions of the Companies Act, 2013 and the rules made thereunder.

There is no qualification or adverse remarks in the auditors report. The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

AUDIT COMMITTEE

The Company has duly constituted its Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 & Clause 49 of the Listing Agreement.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the Company has no employee with a remuneration during the year under review, which taken in aggregate was equal to or more than the sum prescribed under the said provisions.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis on Company's performance – industry trends and other material changes with respect to the Company pursuant to Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Exchange. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

LISTING FEES :

The Company has paid necessary listing fees of the Bombay Stock Exchange for the year 2013 – 2014. The Company will also pay necessary listing fees of Bombay Stock Exchange for the year 2014 – 2015.

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

The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 217 (1) (e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company and hence are not provided.

MATERIAL EVENTS AND COMMITMENTS, IF ANY SUBSEQUENT TO BALANCE SHEET DATE :

There are no material events and commitments, if any, which may have adverse effect on the operations of the Company subsequent to the Balance Sheet date and upto the date of the report.



ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank all investors, customers, vendors, bankers, financial institutions, Service Providers, regulatory and government authorities and Stock Exchanges for their consistent support and encouragement to the Company. The Directors also place on record their sincere appreciation to all employees of the Company for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry.

By the Order of the board

Date : 30th August, 2014

Place: Ahmedabad

Chairman cum Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**STRUCTURE OF THE COMPANY**

Mahan Industries Limited is basically a Investment Company and majority of its assets are financial assets and income is derived mainly from financial activity.

The company invests in middle market companies. It provides direct equity capital and debt and loans. The company may also invest in public companies that are thinly traded and may acquire investments in the secondary market.

STATE OF THE GLOBAL ECONOMY

The developments over the last year in major economies of the world have not been encouraging. There is an apprehension that the process of global economic recovery that began after the financial crisis of the 2008 is beginning to stall and the sovereign debt crisis in the euro zone area may persist for a while. There is an effort to build firewalls around these danger zones, but the world has little experience with this; so your Company needs to be prepared for breaches in the walls.

Overview of Developments In 2013 - 2014

During the year 2013 – 2014 the overall development continues to be challenging. There is a deep recession in the market. Further there is huge volatility in the stock markets, currency and commodity markets. Further high inflation and low growth continue to shed the markets and the investor sentiments continues to be poor. Pendency in clearance of infrastructure projects and environmental clearances contributes to more grave situation..

OPPORTUNITIES AVAILABLE

The globalization of India has given rise to new opportunities but it has also brought with it new challenges and responsibilities. It means that the global economy can no longer be viewed from a spectator's standpoint. During the fiscal year ended March 31, 2014, the credit markets offered periods of significant volatility and opportunity. Market liquidity increased and credit spreads tightened as Investors continued their search for yield amid a low interest rate environment.

The Board of Directors foresees good response in coming future.



RISKS AND CONCERNS:

The Company's income is mainly from the Dividends and Interests that may be receivable on Investments held by it. Any adverse impact on the industries of which securities are held by the Company, also have a bearing on the performance of the Company itself. Any slowdown in the growth of Indian economy or future volatility in global financial market, could also adversely affect the business.

SEGMENT REPORTING :

The Company operates in a Single segment and hence segment reporting is not applicable to the Company.

INTERNAL CONTROL SYSTEMS:

The Company has a proper and adequate Internal Control System to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The Company, in consultation with its Statutory Auditors, periodically reviews and ensures the adequacy of Internal Control Procedures for the orderly conduct of business and also includes a review to ensure overall adherence to management policies and applicable laws & regulations. The Company's internal audit team carries out extensive audits throughout the year, across all functional areas, and submits its reports to the Audit Committee of the Board of Directors.

On the Finance and Administrative side, the internal checks and balances are augmented by a formal system of internal and management audit. The Audit Committee of the Board reviews and will continue to review the adequacy and effectiveness of the internal control systems and suggest improvements for strengthening them.

HUMAN RESOURCES DEVELOPMENTS

During the year under review, the Company continued its emphasis on Human Resource Development as one of the critical area of its operation. Executives and officers of the Company having high potential in the field of Finance, Accounts, Marketing and Computer were regularly meet

at the head office with a view to update their knowledge and to keep them abreast of the present scenario for meeting the challenges ahead.

The year witnessed recruitment of prominent, proficient and distinguished personnel at key positions in the organization. This search for the highest degree of intellectual capital to enrich our professional and technical milieu is perennial one at the company. The Company organizes periodical trainings to encourage and develop vital human resource. All the efforts are aimed to ensure develop and nurture the entrepreneurial attitude and skill among the employ.

Human capital continued to be recognized as the most valued asset. Your company is adequately managed with experienced professionals to take care of all operations and allied activities.

FORWARD LOOKING STATEMENTS

The Forward looking statements that address expectations or projections about the future, including the Company's strategy for growth, development, market position, expenditures and financial results, based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

CAUTIONARY STATEMENT:

The statements, objectives and estimates provided in the said Management Discussion and Analysis are "forward looking statements" within the meaning of applicable securities laws and regulations which have been prepared in compliance with the requirements of the Companies Act, 1956, the Accounting Standards issued by the Institute of Chartered Accountants of India, the Listing Agreements and all other applicable rules and regulations. The actual performance may vary depending on the market fluctuations, changes in Government policies, rules and regulations change in economic conditions nationally as well as internationally.



REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

Corporate Governance

"Good Corporate Governance encourages a trustworthy, moral, as well as an ethical environment."

The Corporate Governance is the framework of rules and practices by which Directors of the Company ensures accountability, fairness and transparency in a company's relationships with its stakeholders, which ensures strong and balanced economic development. This also ensures that the interests of all stakeholders are safeguarded and the organization fully recognizes its accountability towards all Shareholders. Framework of Corporate Governance consists of explicit and implicit contracts between the Company and its stakeholders for distribution of responsibilities, rights and rewards.

Corporate Governance refers to the way a corporation is governed. It is the technique by which Companies are directed and managed. It is an interaction between various participants to balance individual, economic and social goals.

Corporate Governance defines ways to take effective strategic decisions, improve efficiency and growth as well as enhance investor confidence.

Company's philosophy on Corporate Governance:

Company's corporate structure, business and disclosure practices have been aligned to its Corporate Governance Philosophy. The Company believes in system driven performance and performance oriented systems to formulate strategies and policies having focus on optimizing value for various stakeholders and to protect their interest.

The Company believes that good governance is a systematic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and fulfils its social responsibilities. It also focuses on the need to provide a competitive return for its Investors. The Company has formulated best management practices to bring about an atmosphere of accountability.

The Company is in adherence to the provisions on Corporate Governance pursuant to Clause 49 of the Listing Agreement and aims at achieving not only the highest possible standards of legal and regulatory compliances, but also of an effective management.

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)**Corporate Governance**

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A. Board Of Directors

The Board:

Board's efficiency depends on the overall performance of its functions, Board Composition and structure and the procedures followed by it. The primary responsibility of the Board of Directors is to protect the Shareholders' Assets and ensure that they receive a decent return on their Investments.

Composition and Category of Directors:

The Composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. The Company has maintained optimum combination of Executive and Non-Executive Directors to ensure independent functioning.

As on March 31, 2014, the Company has Six Directors on the Board with an Executive Chairman. Of the Six Directors, three (i.e. 50%) are Non-Executive Independent Directors and three (i.e. 50%) are Executive Directors.

None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.

The composition of the Board and category of Directors is as follows:

Name of Directors	Category	No. of Board Meetings attended	Attendance at last AGM
Mr. Lalit Sharma	Non Executive & Independent Director	5	Yes
Mr. Yogendrakumar Prabhudayal Gupta	Chairman/ Executive / Managing Director	5	Yes
Mr. Dattatrey Chandrakant Manik	Executive Director	5	Yes
Mr. Kalpesh Lalitbhai Trivedi	Non-Executive & Independent Director	5	Yes
Mr. Chanakya Shukla	Non Executive & Independent Director	5	Yes
Mr. Bharatbhai Tapubhai Sanchala	Executive Director	NIL	Yes

- * The details in respect of Directors seeking appointment and reappointment is provided in the notice of annual general meeting.

Board Meetings details

Five Board meetings were conducted during the Financial Year ended 31st March, 2014 and the gap between two Board Meetings did not exceed four Months. The dates on which the said Meeting were held are as follows:

10th June, 2013, 14th August, 2013, 30th September, 2013, 14th November, 2013 and 13th February, 2014

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

Other Directorship/Committee Positions as on 31st March, 2014

Name of Directors	In Public Limited Companies	Committee as Chairman	Committee as Member
Mr. Lalit Sharma	0	0	0
Mr. Yogendrakumar Prabhudayal Gupta	0	0	0
Mr. Dattatrey Chandrakant Manik	0	0	0
Mr. Kalpesh Lalitbhai Trivedi	1	0	0
Mr. Chanakya Shukla	0	0	0
Mr. Bharatbhai Tapubhai Sanchala	1	0	0

Notes : Private limited Companies, foreign companies and companies under section 25 of the Companies Act, 1956 are excluded for the above purposes. Only Audit committee and Shareholder's grievance committee are considered for the purpose of committee position as per listing agreement.

COMMITTEES OF THE BOARD:

Functioning of Boards through committees result in enhanced quality of decisions taken with focused approach. Such committees assist the Board in discharging its responsibilities in a better manner. In compliance with the mandatory requirements under the Listing Agreement, and the applicable laws, the Board has constituted the following committees.

The Board has constituted III Committees namely;

Audit Committee

Shareholders/Investors Committee



Remuneration Committee

I. The 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 and in accordance with the Clause 49 of the Listing Agreement to ensure full compliance will all the relevant provisions including code of Corporate Governance.

The Audit Committee is comprising of 3 (three) Directors which are as under :

Name Of Directors	Designation	Category	No. of Meetings Attended
Mr. Kalpesh Trivedi	Chairman	Non Executed Independent Director	5
Mr. Lalit Sharma	Member	Non Executed Independent Director	5
Mr. Yogendrakumar Gupta	Member	Executive Director	5

The Committee met 5 times during the year ended 31st March, 2014 i.e. on 10th June, 2013, 14th August, 2013, 30th September, 2013, 14th November, 2013 and 13th February, 2014 and the time gap between the two meetings did not exceed four months. The necessary quorum was present for all the meeting.

The members of the committee are having financial and accounting knowledge. The committee carries out functions enumerated in the listing agreement and Section 292A of the Companies Act, 1956.

Pursuant to the provision of Section 292A of the Companies Act, 1956 and in accordance with the Clause 49 of the Listing Agreement your Company has constituted an audit committee in accordance with the provision of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The power of the audit committee, terms of reference and role of the audit committee are in conformity with the provision of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The members of the committee are having financial and accounting knowledge.

Representatives of Auditors are invited from time to time depending upon the requirement of the committee to attend the meeting.

The Minutes of the Audit Committee are placed before the next Board Meeting.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company to answer shareholders query.

a. Powers of Audit Committee

The audit committee shall have following powers:

- i) to investigate any activity within its terms of reference.
- ii) to seek information from any employee.
- iii) to obtain outside legal or other professional advice.
- iv) to secure attendance of outsiders with relevant expertise, if it considers Necessary.

b. Role of Audit Committee

The role of the audit committee shall include the following:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- iii. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- iv. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- v. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- vi. Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue) etc the statement of funds utilized for purpose other than



those stated in prospectus / offer document / notice and the report submitted by monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up the steps in the matter.

- vii. Discussion with internal auditors any significant findings and follow up there on.
- viii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- ix. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- x. Reviewing the company's financial and risk management policies.
- xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- c. review of information by Audit Committee
 - i. Management Discussion and analysis of financial condition and result of operations
 - ii. Statement of Significant related party transaction submitted by Management
 - iii. Management Letters/Letters of Internal Control weakness issued by the Statutory Auditors
 - iv. Internal Audit records relating to internal control weakness and
 - v. The appointment removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee

The Audit Committee held discussions with the Auditors of the company concerning the financial reports of the company, internal control systems, and scope of audit and their observations. The Audit Committee also reviewed the quarterly, half-yearly and annual financial results of the company before submission to the Board, also on the "Limited review" of the quarterly accounts, matters relating to compliance of Accounting Standards, their observations arising from the Internal/ Annual Audit of the Company's accounts and other related matters.

II. The Shareholders/Investors Committee:

The Shareholders/ Investors Grievance Committee deals with the following

- * Noting Transfer/ Transmission of Shares
- * Review of dematerialised/rematerialised shares and all other related matters.
- * Monitors expeditious redressal of Investor Grievance Matters received from Investors, Stock Exchange, SEBI, ROC etc.
- * All other matters related to shares.

Composition and Category of Directors:

Name of Committee Member	Designation in Committee	Category
Mr. Lalit Sharma	Chairman	Non Executive Independent Director
Mr. Kalpesh Trivedi	Member	Executive Director
Mr. Manik Dattatreya	Member	Executive Director

Shareholders/Investors Committee Meetings Held:

In the financial year 2013-2014, the Committee met 4 times. The attendance of each Member at the said Meetings is stated below:

Name of Committee Member	No. of meetings attended
Mr. Lalit Sharma	4
Mr. Kalpesh Trivedi	4
Mr. Manik Dattatreya	4

The Share Transfer and Investors' Grievance Committee generally meets in every Quarter depending on the frequency of grievances / transfer / duplicate requests received from the Shareholders and to discuss a plan of action for the recourse to be taken by the Committee to resolve such issues on time.

III. The Remuneration Committee:

The remuneration committee is established to ensure that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives such as Managing Director and the Executive Director while complying with the requirements of regulatory and governance bodies, satisfying the expectations of shareholders.

The Remuneration Committee is entrusted with the power to determine Company's policy on specific remuneration packages, including pension rights and other compensation for executive Directors and other employees of our Company.



Composition Category of Directors:

The Remuneration Committee comprises of 2 Non-Executive Independent Directors and 1 Executive Director.

Name of Committee Member	Designation in Committee	Category
Mr. Kalpesh Trivedi	Chairman	Non Executive Independent Director
Mr. Lalik Sharma	Member	Non Executive Independent Director
Mr. Yogendrakumar Gupta	Member	Executed Director

Remuneration Policy:

Remuneration Committee generally decides and makes recommendation to the Board of Directors about the remuneration to be paid to the Directors and other key managerial personnel of the company.

The Remuneration policy is designed keeping in mind the statutory requirements as prescribed in Companies Act, 1956 and the Committee is responsible to ensure that the remuneration paid is within the prescribed limits. Further, the remuneration paid is aligned to the performance of the Company and reviewed from time to time.

During the year under the review there was no proposal to increase the remuneration of Managing Director or other Director.

No remuneration was paid to any of the Non Executive Directors.

GENERAL BODY MEETINGS:

1. GENERAL MEETING

a) Annual General Meeting

Financial Year	Date And Year	Type	Time	Location
2010-2011	Friday 31th September, 2011	AGM	9.00 a.m.	3rd Floor, D.K. House, Near. Mithakhali Underbridge, Ellisbridge, Navrangpura, Ahmedabad-380006.
2011-2012	Friday 28th September, 2012	AGM	9.00 a.m.	
2012-2013	Monday 30th September, 2013	AGM	9.00 a.m.	

b) Extraordinary General Meeting

Financial Year	Date And Year	Type	Time	Location
2011-2012	24th February, 2012 11.00 a.m.	1.Consolidation of Equity Shares of Rs. 1/- to Rs. 10/- 2.Alteration of Memorandum of Association 3.Alteration of Articles of Association		3rd Floor, D.K. House, Near. Mithakhali Underbridge, Ellisbridge, Navrangpura, Ahmedabad-380006.

No Extra Ordinary General meeting was held during the year 2010 – 2011 and 2012 – 2013.

1. Details of the Special Resolutions passed during the last three AGMs:

There were no Special Resolutions passed during the last three Annual General Meetings of the Company.

2. Postal Ballot:

During the year under review, no Postal Ballot was conducted as none of the Businesses proposed to be transacted required passing a special resolution through postal ballot.

DISCLOSURES:

Related Party Transaction

During the year under review, there were no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

*** Disclosures By The Management**

Disclosures of all the material, financial and commercial transactions stating personal interest that could result in a conflict of interest have been made to the Board by The Management of the Company.

*** Compliances by the Company**

The Company has complied with all the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets hence there are no instances of non-compliances in any matter related to the capital market during the last three years.

*** Accounting treatment:**

The Company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules, 2006 during preparation of financial statements.

*** Code of conduct:**



The Company has adopted the code of conduct and ethics for all the Board Members and senior management of the Company. The said code has been circulated to all the members of the Board and senior management and they have affirmed their compliance with the code and a declaration to the extent signed by the Chairman of the Company appointed within the meaning of Clause 49 of the listing agreement has been annexed to the Annual Report of the company.

MEANS OF COMMUNICATION:

★ **Financial Results**

Quarterly & Annual Results are published in prominent daily newspapers.

★ **Annual Report**

Annual Report is circulated to all the Members and Auditors of the Company.

★ **Intimation to the Stock Exchanges:**

The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

THE STATUS OF COMPLIANCE IN RESPECT OF NON- MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT:

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and every effort has been made to comply with the non- mandatory requirements of the Clause, the details of which are mentioned hereunder:

★ **Training to Board Members**

The Board is equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment & minimization procedures, and new initiatives proposed by the Company. Directors are also updated on changes/ developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic environment.

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 is given below:

DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT

To,
The Member of Company,

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that have complied with the code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2013-2014.

For and on behalf of Board

Place : Ahmedabad
Date : 30th May, 2014

YOGENDRA KUMAR GUPTA
(Chairman cum Managing Director)

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting :

Date	Tuesday, 30th September, 2014.
Time	9:00 a.m.
VENUE	3rd Floor, D.K. House, Near. Mithakali Under Bridge, Ellis Bridge Navrangpura, Ahmedabad-380006.
Financial Year	1st April, 2013 to 31st March, 2014 (12 Months)
Book Closure Dates	22nd September, 2014 to 30th September, 2014 (both days inclusive)
Listing on Stock Exchange	BSE Limited
Stock Code & Demant ISIN No.	Scrip Code: 531515 ISIN:INE735D01033
Registrar and Transfer Agent	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhay Industrial Estate 1st Floor, Makwana Road, Marol Naka, Andheri (E) Mumbai-400059
'Address for Correspondence	Mahan Industries Ltd. 3rd Floor, D.K. House, Near. Mithakhali Under bridge, Ellis bridge, Navrangpura, Ahmedabad-380006.
Whether Management Discussion and Analysis Report is a part of Corporate Governance Report	Yes
Compliance Officer	Mr. Yogendrakumar Gupta, Managing Director
Plant Location	Not Applicable



▽ Financial Calendar

During the Financial year under review, the Board Meeting for approval of quarterly Un-audited financial results were held on the following dates.

	Date of Board Meeting
Financial Report for the year 2014-15	
Financial Reporting for the quarter ending 30/06/2013	14th August, 2013
Financial Reporting for the quarter ending 30/09/2013	14th November, 2013
Financial Reporting for the quarter ending 31/12/2013	13th February, 2014
Financial Reporting for the quarter ending 31/03/2014	30th May, 2014

The Tentative dates of the Board Meeting for consedration of the Financial results for the year ending 31st March, 2015

	Month of Reporting
Financial Report for the year 2014-15	
Financial Reporting for the quarter ending 30/06/2014	Second Weekend of August, 2014
Financial Reporting for the quarter ending 30/09/2014	Second Weekend of Nov, 2014
Financial Reporting for the quarter ending 31/12/2014	Second Weekend of Feb, 2015
Financial Reporting for the quarter ending 31/03/2015	Last Week of May, 2015

▽ Market Information

Monthly high and low price Data of the Company on BSE in comparision with BSE Sensex for the period commencing from 1st April, 2013 to 31st March, 2014 :

On the basis of the data available from the BSE website the monthly high and low price of the Shares in comparision to BSE Sensex is as under :

Month and Year	Share are price of the Company		No. of Shares of Company Traded	BSE SENSEX	
	High	Low			HighLow
April, 2013	0.76	0.54	198059	19622.68	18144.22
May, 2013	0.96	0.53	418171	20443.62	19451.26
June, 2013	1.32	1.89	100452	19860.19	18467.16
July, 2013	1.2	1.04	122039	20351.06	19126.82
August, 2013	1.2	1.05	68727	19569.20	17448.71
September, 2013	1.1	0.52	274803	20739.69	18166.17
Octomber, 2013	0.5	0.39	616250	21205.44	19264.72
November, 2013	0.55	0.46	21537	21321.53	20137.67
December, 2013	0.48	0.44	36219	21483.74	20568.70
January, 2014	0.63	0.41	116159	21409.66	20343.78
February 2014	1	0.62	119905	21140.51	19963.12
March, 2014	1.05	0.85	39790	22467.21	20920.98

▽ **Distribution of the Shareholding as on 31st March, 2014**

Shareholding of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Shares	Amount(Rs.)	% of Holding
UPTO - 100	1413	33.14	92836	928360	0.26
101- 500	1118	26.22	347511	3475110	0.97
501 - 1000	527	12.36	448832	4488320	1.25
1001 - 2000	359	8.42	556969	5569690	1.55
2001 - 3000	228	5.35	593813	5938130	1.65
3001 - 4000	100	2.35	363887	3638870	1.01
4001 - 5000	146	3.42	707685	7076850	1.96
5001 - 10000	174	4.08	1351921	13519210	3.76
10001 - 20000	89	2.09	1301706	13017060	3.61
20001 - 50000	47	1.10	1482430	14824300	4.12
500001 & Above	63	1.47	28752410	28752410	79.86
Total	4264	100.01	36000000	360000000	100.0

▽ **Dematerialization of Shares**

Pursuant to SEBI notification, trading in the Equity Shares of the Company is permitted only in Dematerialized form w.e.f. 5th July, 2002.

▽ **Physical and Demat Shares as on 31st March, 2014**

Particulars	Shares	%
No. of Shares held by NSDL	14100006	39.17
No. of Shares held by CDSL	8704305	24.18
Physical Shares	13195689	36.65
TOTAL	36000000	100

Date: 30 May 2014
Place: Ahmedabad

By the Order of the board
Director



CEO/ CFO CERTIFICATION

To
The Board of Directors,
Mahan Industries Limited.

I, Yogendra Kumar Gupta, Managing Director of **Mahan Industries Limited**, appointed in terms of Companies Act, 1956, hereby certify as follows:

I have reviewed Financial Statements and the Cash Flow Statement for the year ended on 31st March, 2014 and that to the best of my knowledge and belief, I State that;

A. (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.

D. I have indicated to the Auditors and the Audit committee,

(i) Significant changes in internal control over financial reporting during the year; Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the Financial Statement; and

(ii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

By Order of the Board
FOR MAHAN INDUSTRIES LIMITED

Date : 30th August, 2014
Place : Ahmedabad

Yogendra Kumar Gupta
Managing Director

Auditor's Certificate on Corporate Governance

To

The Members

Mahan Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Mahan Industries Limited** for the year ended on **31st March, 2014** as stipulated in **Clause 49** of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we verify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have examined that no investor grievances are pending for a period exceeding one month, as at **31st March, 2014**, against the Company as per the records maintained by the Company.

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 DJNV & Co.

Chartered Accountant

Firm Reg No. 115145W

Jayesh Parikh

Partner

Membership No.: 040650

Place: Ahmedabad

Date : 30th May, 2014



INDEPENDENT AUDITOR'S REPORT

To the Members of
MAHAN INDUSTRIES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHAN INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956('the act') read with general circular 15/2013 dated 13th Sept 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 evidences about the amounts and 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of The Companies Act, 1956:
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For, DJNV & CO.
Chartered Accountants
(Firm Reg. No: 115145W)

Jayesh Parikh
(Partner)
Membership No: 40650
Place: Ahmedabad
Date: 30/05/2014



ANNEXURE TO THE AUDITOR'S REPORT

- (1) (a) In our opinion and according to the information and explanation given to us, the company has maintained all the relevant 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 the nature of its assets. No material discrepancies were noticed on such verification.
(c) The fixed assets have not disposed any fixed assets during the year.
2. (a) According to the information & explanations given to us, the Physical verification of shares has been followed by the management at reasonable intervals.
(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of stock of Share followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
(c) According to the information and explanation given to us, the company is maintaining proper records of inventory of shares. No material discrepancies were noticed on physical verification
- (3) (a) According to the information and explanation given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence clause (a) to (d) are not applicable.
(e) The company has taken unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 683.63 lacs and the year end balance of such loan taken is Rs. 334.43 lacs.
(f) According to the information given to us, the loan taken by the company is 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 without any stipulation as to repayment.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (5)(a) In our opinion and according to the information and explanation given to us, the transactions for the year that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, have so been entered.
(b) In our opinion and according to the information and explanation given to us, the transactions made in

pursuance of the contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable and having regard to prevailing market price at the relevant time.

- (6) The company has not accepted any deposits from the public which falls within the provisions of section 58 A and 58 AA of the Companies Act, 1956, and the rules framed there under.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (8) According to the best of knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost record under section 209 (1)(d) of the Companies Act, 1956.
- (9) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employee State Insurance, Sales Tax, Wealth Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- (b) According to information and explanation given to us, details of dues in respect of income tax, on account of dispute are as follows:

INCOME TAX LITIGATION PENDING

Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	2,225,639/-	A.Y.: 2000-2001	CIT Appeal
Income Tax Act, 1961	Income tax	6,584,951/-	A.Y.: 2006-2007	CIT Appeal

- (10) In our opinion, the accumulated losses of the company are more than fifty per cent of its net worth at the end of the financial year. Further, the company has incurred cash losses only during the financial year covered by our audit, but not in the immediately preceding financial year.
- (11) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution / bank.
- (12) According to the information & explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi / 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.
- (14) 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.
- (15) According to the information & explanations given to us, the company has not given any guarantees for the loans taken by others from banks or financial institutions



- (16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- (18) According to the information and explanation 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 Act.
- (19) According to the information and explanations given to us, Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (20) The Company has not made any fresh allotment of equity shares during the year.
- (21) Based upon the audit procedures performed and on the basis of information and explanation provided by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For DJNV & CO.
Chartered Accountants
Firm Regn. No.115145W

Jayesh Parikh
(Partner)
M.No.40650

Place: Ahmedabad
Date:30/05/2014.

MAHAN INDUSTRIES LIMITED

Balance Sheet As At 31st March, 2014

Particulars	Note No.	As at 31 st March 2014 Amt (Rs)	As at 31 st March 2013 Amt (Rs)
<u>EQUITY AND LIABILITIES</u>			
<u>1. Shareholders' Funds :</u>			
a) Share Capital	3	360,000,000	360,000,000
b) Reserves & Surplus	4	(212,303,363)	(185,859,392)
		147,696,637	174,140,608
<u>2. Share Application money pending allotment</u>		-	-
<u>3. Non-Current Liabilities :</u>			
a) Long Term Borrowings		-	-
b) Deferred Tax Liabilities (Net)		-	-
		-	-
<u>4. Current Liabilities</u>			
a) Short-term borrowings	5	112,062,637	133,958,416
b) Trade Payables		12,057,673	25,202,348
d) Other Current liabilities	6	311,027	2,111,562
		124,431,337	161,272,326
TOTAL		272,127,974	335,412,934
<u>ASSETS</u>			
<u>1. Non-Current Assets</u>			
a) Fixed Assets :			
(i) Tangible Assets	7	806,408	834,967
		806,408	834,967
Non-Current Investments	34	, 99, 38 54	, 99, 38
c) Long-Term Loans and Advance	9	49,483,267	90,883,193
<u>2. Current Assets</u>			
a) Current Investment	10	32,180,000	98,113,750
b) Short Term Loans and Advances	9	965,822	953,921
c) Trade Receivables	11	138,436,706	74,896,494
d) Inventories	12	15,014,191	14,377,591
e) Cash & Cash Equivalents	13	244,194	355,632
TOTAL		272,127,974	335,412,934
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith
For, DJNV & CO.
Chartered Accountants
Firm Reg. No. 115145W

For, MAHAN INDUSTRIES LTD.

Jayesh Parikh
(Partner)
M. No. 40650

Director Director

Place : Ahmedabad
Date : 30/05/2014



Statement of Profit & Loss for the year ended 31st March 2014

Particulars	Note No	31 March st 2014 Amt (Rs)	31 March st 2014 Amt (Rs)
INCOME			
Revenue from Operation	14	5,062,420	58,153,309
Other Income	15	2,288,203	3,969,676
Total Revenue (i)		7,350,622	62,122,985
EXPENDITURE			
Purchase	16	7,261,665	67,168,859
(Increase)/ Decrease in inventory	17	(636,600)	1,296,479
Employee Benefits Expense	18	482,630	590,098
Finance Cost	19	6,546,232	7,564,872
Depreciation	20	28,557	28,560
Other Expenses	21	805,510	1,374,924
Loss on Sale of Investments		19,299,900	5,025,525
Total Expenses (ii)		33,787,893	83,049,317
Profit / (Loss) before Tax [(i) - (ii)]		(26,437,271)	(20,926,332)
Tax expense:			
Current Tax		-	-
Current Tax expenses related to previous year		6,700	-
		6,700	-
Profit/ (Loss) for the year		(26,443,971)	(20,926,332)
Basic earnings per share	23	(0.73)	(0.58)
Summary of Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached herewith

For, DJNV & CO.

For, MAHAN INDUSTRIES LTD.

Chartered Accountants

Firm Reg. No. 115145W

Jayesh Parikh

(Partner)
M. No. 40650

Director

Director

Place : Ahmedabad

Date : 30/05/2014

Notes to Financial Statements for the year ended 31st March 2014

NOTE - 3 SHARE CAPITAL

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Number	Amt (Rs.)	Number	Amt (Rs.)
Authorised Shares:				
Equity Shares of Rs. 10/- each	37,300,000	373,000,000	37,300,000	373,000,000
Issued				
Equity Shares of Rs. 10/- each	36,000,000	360,000,000	36,000,000	360,000,000
Subscribed & fully Paid up				
Equity Shares of Rs. 10/- Each Fully Paid up	36,000,000	360,000,000	36,000,000	360,000,000
TOTAL	36,000,000	360,000,000	36,000,000	360,000,000
<p>The company has only 1 class of shares referred to as Equity shares having face value of Rs. 10 /- holder of Equity share is entitled to 1 vote per share.</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of shares held by the shareholders.</p> <p>The details of shareholders holding more than 5% shares as at 31/03/2014 and 31/03/2013 is set out below.</p>				
Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	Number	% held	Number	% held
Venkateshwara Capital Management Ltd.	4,800,000	13.33%	3,908,500	10.86%
Viaggio Entertainment Pvt. Ltd.	4,500,000	12.50%	4,500,000	12.50%
The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2014 & 31/03/2013 is set out below				
Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Amt (Rs.)	Number	Amt (Rs.)
Shares at the beginning	36,000,000	360,000,000	36,000,000	360,000,000
Addition	-	-	-	-
Deletion	-	-	-	-
Shares at the end	36,000,000	360,000,000	36,000,000	360,000,000

NOTE - 4 RESERVE & SURPLUS

Particular	As at 31 st March 2014	As at 31 st March 2013
	Amt (Rs.)	Amt (Rs.)
Capital Reserve	9,000,000	9,000,000
(On account of Capital Reduction Scheme in the year 2010-11)		
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	(194,859,392)	(173,933,060)
Add : Profit for the year	(26,443,971)	(20,926,332)
Net Surplus/ (Deficit) at year end	(221,303,363)	(194,859,392)
TOTAL	(212,303,363)	(185,859,392)

**NOTE - 5 SHORT TERM BORROWINGS**

Particulars	As at 31 March 2014	As at 31 March 2013
	Amt (Rs.)	Amt (Rs.)
Loan From Others - repayable on Demand (Unsecured)	38,810,000	28,010,000
Loan From Related Party (Unsecured)	33,443,318	67,863,318
Loan from Finance Companies (Secured)	39,809,319	38,085,098
TOTAL	112,062,637	133,958,416
<p>Loans From other & Related Party The loans are interest free and repayable on demand</p> <p>Loan from Finance Companies</p> <p>Loan taken are under margin funding from the finance companies carries interest from 16.5% to 18% (p.y. 16.5% TO 18%) and the loan are repayable on demand. The loan is secured by pledge of shares.</p>		

NOTE - 6 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March 2014	As at 31 st March 2013
	Amt (Rs.)	Amt (Rs.)
Amount refundable on account of Capital Reduction Scheme	-	1,850,000
Office Expense Payable	52,324	23,265
Professional Fees Payable	40,450	40,450
Salary & wages Payable	18,548	16,420
TDS Payable	199,705	181,427
TOTAL	311,027	2,111,562

Note-7

TANGIBLE ASSETS

Cost of Valuation	OFFICE BUILDING	PLANT & MACHINERY	OFFICE & EQUIPMENT	FURNITURE & FIXTURES	COMPUTER	TOTAL
As at 31st March 2012	954,322	38,300	235,488	504,436	834,820	2,567,366
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-
As at 31st March 2013	954,322	38,300	235,488	504,436	834,820	2,567,366
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-
As at 31st March 2014	954,322	38,300	235,488	504,436	834,820	2,567,366

Depreciation	OFFICE BUILDING	PLANT & MACHINERY	OFFICE EQUIPMENT	FURNITURE & FIXTURES	COMPUTER	TOTAL
As at 31st March 2012	256,367	17,090	158,090	479,214	793,080	1,703,839
Charge for the year	15,555	1,819	11,186	31,931	-	28,560
Disposal	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-
As at 31st March 2013	271,922	18,909	169,276	479,214	793,080	1,732,399
Charge for the year	15,555	1,819	11,186	-	-	28,560
Disposal	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-
As at 31st March 2014	287,478	20,728	180,462	479,214	793,080	1,760,960

NET BLOCK						
As at 31st March 2013	682,400	19,391	66,212	25,222	41,740	834,967
As at 31st March 2014	666,844	17,572	55,026	25,222	41,740	806,408



NOTE - 8 NON-CURRENT INVESTMENTS

Particulars			As at 31 st March 2014 Amt (Rs.)	As at 31 st March 2013 Amt (Rs.)
Trade Investments - (Valued at cost , unless stated otherwise)				
I). Quoted	2013-14 No.of Shares	2012-13 No.of Shares		
Investments in Equity Shares				
DCM Ltd.	199,476	199,476	27,787,082	27,787,082
Jhonmeyers Granites Ltd.	10,000	10,000	1	1
Kanhaiya Foods Ltd.	2,900	2,900	1	1
Karan Fibers & Fabrics Ltd.	197,900	197,900	1	1
Sanguine Media Ltd.	720,000	3,500,000	7,200,000	27,200,000
Spenta Finance Ltd.	500	500	1	1
TOTAL (I)			34,987,086	54,987,086
II). Unquoted				
Investments in Equity Shares				
D.K.Association	3	3	300	300
Charotar Housing Corporation	1,000	1,000	10,000	10,000
TOTAL (II)			10,300	10,300
TOTAL (I + II)			34,997,386	54,997,386
Aggregate amount of Quoted Investments (Market Value)			17, 403, 100	17,602,826

NOTE - 9 LOANS & ADVANCES

Particulars	Long Term As at 31 March 2014 Amt (Rs.)	Short Term As at 31 March 2013 Amt (Rs.)	As at 31 March 2014	As at 31 March 2013
(A) Deposits				
Unsecured , Considered Good	6,379,021	16,969,371	-	-
(A)	6,379,021	16,969,371	-	-
(B) Loans				
Unsecured , Considered Good	39,067,594	69,894,211	-	-
(B)	39,067,594	69,894,211	-	-
(C) Other Loans & Advances				
(i) Advance Tax/ TDS Receivable	-	-	958,322	9,646,421
Less : Provision	-	-	-	-
Net Advance	-	-	958,322	9,646,421
(ii) Advance to Suppliers	440,343	440,343	-	-
(iii) Balance with Government Authorities	3,596,309	3,579,269	-	-
(iv) Advance to Staff	-	-	7,500	7,500
(C)	4,036,652	4,019,612	965,822	9,653,921
TOTAL (A+B+C)	49,483,267	90,883,193	965,822	9,653,921

NOTE - 10 : CURRENT INVESTMENTS

Particular			As at 31 March 2014	As at 31 March 2013
			Amt(Rs)	Amt(Rs)
(Trade Investments - (Valued at Cost or NRV, Whichever is lower))				
I) Unquoted	2013-14	2012-13		
	No. of Shares	No. of Shares		
Investments in Equity Shares				
Akshar Entertainment Pvt. Ltd.	320,000	320,000	32,000,000	32,000,000
Brahma Favrics Pvt. Ltd.	-	81,000	-	2,733,750
Inani Securities & Investments Ltd.	-	156,250	-	2,500,000
Lemon Developers Pvt. Ltd.	-	80,000	-	3,000,000
N Kumar Housing & Infrastructure Pvt. Ltd.	-	20,000	-	10,000,000
Nakoda Apprels Pvt. Ltd. (Partly Paid)	-	24,000	-	7,200,000
Pranet Mercantile Pvt. Ltd. (Partly Paid)	-	300,000	-	15,000,000
Sheil Merchantile Pvt. Ltd.	-	100,000	-	5,000,000
Silver Emporium Pvt. Ltd.	-	31,250	-	10,000,000
Ujala Finstock Pvt. Ltd.	3,600	3,600	180,000	180,000
Vaishali Realty Pvt. Ltd.	-	200,000	-	10,000,000
Yogi Co.op Society Ltd.	-	5,000	-	500,000
TOTAL			32,180,000	98,113,750

NOTE - 11 TRADE RECEIVABLES

Particulars	Non Current		Current	
	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2014	As at 31 st March 2013
	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)
A. Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured , Considered Good (A)	-	-	85,335,329	71,802,744
	-	-	85,335,329	71,802,744
B. Receivables				
Unsecured , Considered Good (B)	-	-	53,101,377	3,093,750
	-	-	53,101,377	3,093,750
TOTAL (A+B)	-	-	138,436,706	74,896,494

NOTE - 12 INVENTORIES

Particulars	As at 31 st March 2014	As at 31 st March 2013
	Amt (Rs.)	Amt (Rs.)
Shares	15,014,191	14,377,591
TOTAL	15,014,191	14,377,591



NOTE - 13 CASH AND CASH EQUIVALENTS

Particulars	Non Current		Current	
	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2014	As at 31 st March 2013
	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt(Rs.)
Cash and Cash Equivalents				
Balances with Bank:				
in Current Accounts	-	-	17,915	172,950
Cash on Hand	-	-	226,280	182,682
	-	-	244,194	355,632
TOTAL	-	-	244,194	355,632

Contingent Liabilities

Income Tax demand for the Asst. Year 2001-02 :

The Company has made an appeal to the CIT (A) against the order of ITO for assessment year 2001-02. The original demand of Rs. 22,25,639/- was reduced to Rs. 46,490/- by the CIT (A), which was duly paid. But the department has filed an appeal in I.T.A.T. against this order; the appeal has been set aside by ITAT and is referred back to the CIT (A).

Income Tax demand for the Asst. Year 2006-07:

The Company has made an appeal to CIT(A) against the order for assessment year 2006-07. The original demand of Rs. 65,84,951/-.

NOTE - 14 REVENUE FROM OPERATIONS

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs)	Amt (Rs)
Sale of Share	5,062,420	58,153,309
TOTAL	5,062,420	58,153,309

NOTE - 15 OTHER INCOME

Particulars	31 March 2014	31 March 2014
	Amt (Rs)	Amt (Rs)
Dividend	1,034,703	1,655,605
Interest	289,400	4,472,780
(Loss) / Profit (Intraday Trading)	-	(160,020)
Commission Income	550,000	-
Kasar	-	1,312
Profit on sale of Unquoted Investments	414,100	-
TOTAL	2,288,613	3,969,676

Note : Interest income to the extent of Rs. 240000 pertains to previous year i.e. prior period income

NOTE - 16 PURCHASE

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs)	Amt (Rs)
Purchase of Share	7,261,665	67,168,859
TOTAL	7,261,665	67,168,859

NOTE - 17 (INCREASE)/ DECREASE IN INVENTORIES

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs)	Amt (Rs)
Inventory at the beginning of the year		
Shares	14,377,591	15,674,070
	14,377,591	15,674,070
Inventory at the end of the year		
Shares	15,014,191	14,377,591
	15,014,191	14,377,591
(Increase)/ Decrease in Stock	(636,600)	1,296,479

NOTE - 18 EMPLOYEE BENEFIT EXPENSES

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs)	Amt (Rs)
Director's Remuneration	240,000	240,000
Salary, Wages & Bonus	229,224	334,904
Staff Welfare	13,406	15,194
TOTAL	482,630	590,098

NOTE - 19 FINANCE COST

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs)	Amt (Rs)
Bank Charges	21,520	25,056
Interest on Margin Funding	6,482,611	7,486,915
Other Interest	42,101	52,901
TOTAL	6,546,232	7,564,872

NOTE - 20 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs)	Amt (Rs)
Depreciation of Tangible Asset	28,560	28,560
TOTAL	28,560	28,560

**NOTE - 21 OTHER EXPENSES**

Particulars	31 st March 2014	31 st March 2013
	Amt (Rs.)	Amt (Rs.)
Auditors Rremuneration	44,944	44,944
Legal Fees	300,000	401,000
NSDL-CDSL Charges	112,360	112,360
Repairs & Maintenance	13,487	30,982
Rates & Taxes	27,703	23,183
Securities Transactions Tax	23,484	144,122
Service Tax	478	36,081
Miscellaneous Expenses	283,054	582,251
TOTAL	1,05,510	1,374,924

Miscellaneous Expense

Particulars	Amount	
	2014	2013
Advertisement	6,779	51,452
Books & Periodicals	335	1,235
Consultancy Exp	54,236	213,736
Conveyance	3,446	472
Electricity	12,691	13,130
Filing Fees	-	-
Kasar & Vataav	4,820	
Listing Fees	84,270	84,270
Loss on sale of car	-	-
Internet Charges	9,618	7,122
Other	680	19,988
Office Expense	17,019	6,535
Printing, Stationery & Postage	7,484	37,987
Share Transfer, Demat, Stamping Exp	53,311	108,481
Stamp Duty	480	424
Transaction Charges	164	138
Telephone Expense	27,720	37,281
Total	283,054	582,251

MAHAN INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	31 st March, 2014 Amt (Rs)	31 st March, 2013 Amt (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(26,443,971)	(20,926,332)
Non-cash adjustment to reconcile profit before tax to net cash flows	-	-
ADD: Depreciation	28,557	28,560
Operating Profit before Working Capital Changes	(26,415,414)	(20,897,772)
Movement in Working Capital :		
Increase / (Decrease) in Trade Payables	(13,144,675)	2,479,514
Increase / (Decrease) in Provisions	-	-
Increase / (Decrease) in Other Current Liabilities	(1,800,535)	(360,519)
(Increase)/ Decrease in Trade Receivables	(63,540,212)	(60,043,672)
(Increase)/ Decrease in Inventories	(636,600)	1,296,479
(Increase)/ Decrease in Current Loans & Advances	(11,901)	(250,143)
(Increase)/ Decrease in Other Assets	-	-
Cash generated from / (used in) operations	(79,133,923)	(56,578,341)
Income Tax Paid	-	-
Net Cash Flow From / (Used in) Operating Activities(A)	105,549,337	77,776,113
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	-	-
Purchase/sale of Non-Current Investments	20,000,000	53,300,000
Purchase/sale of Current Investments	65,933,750	(10,713,750)
(Increase) / Decrease in Non Current Loans & Advances	41,399,927	(11,732,618)
Net Cash Flow From / (Used in) Investing Activities (B)	127,333,677	30,853,632
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Application Money refunded	-	-
Proceeds from Long Term Borrowing	-	-
Proceeds from Short Term Borrowings	(21,895,779)	46,482,114
Net Cash Flow From / (Used in) Financing Activities (C)	(21,895,779)	46,482,114
Net Increase/ (Decrease) in Cash & Cash Equivalent (A+B+C)	111,438	440,367
Cash & Cash Equivalents at the beginning of the year	355,632	795,999
Cash & Cash Equivalents at the end of the year	244,194	355,632

Notes: Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

For, DJNV & CO.

Chartered Accountants

Firm Reg. No. 115145W

Jayesh Parikh

(Partner)

M. No. 40650

For, MAHAN INDUSTRIES LTD.

Director

Director

Place : Ahmedabad

Date : 30-05-2014



MAHAN INDUSTRIES LIMITED.

Notes to financial statements for the year ended 31 March, 2014.

1. Corporate Information

MAHAN INDUSTRIES LIMITED having registered office in Ahmedabad is a Gujarat based Public Limited Company incorporated under provisions of the Companies Act, 1956. The main business of the company is Investment, Trading in Shares & Securities. The company is also into textile business.

The Company is registered with RBI vide Reg. No.01-00247 dt.16.05.1998; as a Non deposit taking Non- Banking Finance Company (NBFC).

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which is, measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the companies (Accounting Standards) Rules , 2006 , the provisions of the companies ACT 2013(to the extent notified), the companies Act , 1956 (to the extent applicable), and guidelines issued by the securities and Exchange Board of the India (SEBI). Accounting policies have been consistently applied except where newly issued accounting standards is initially adopted or a version to an existing accounting standards requires a change in the policy hereto in use.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below:

2.1 Summary of significant accounting policies

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repaired maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit & loss when the asset is de recognized.

c. Depreciation on Tangible Fixed Asset

Depreciation on tangible fixed asset is calculated on Straight Line method using the rates prescribed under the Schedule XIV to The Companies Act, 1956. The assets are depreciated upto 95% of the cost.

d. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, will be classified as current investments. All other investments will be classified as non-current investments.

Long term investments are carried at cost. However, provision for diminution in value is to be made to recognize a decline, other than temporary, in the value of investments.

e. Inventories

The company accounts for the traded shares & securities remaining unsold at the end of the year as Inventory and the same are valued at cost or market value whichever is lower.

f. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.



Revenue from sales is recognized on the basis of delivery of shares & securities.

Dividend income is accounted on receipt basis.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head "Other Income" in the statement of profit & loss.

Profit from sale of investments is recognized at the time of sale.

g. Income Tax

Tax expense comprises current tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

h. Provisions and Contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

i. Cash & Cash equivalents

Cash and cash equivalents comprise cash and balance with banks in current accounts. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

23. EARNING PER SHARE:

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Sr. No	PARTICULARS	Year Ended	Year Ended
		31-03-2014	31-03-2013
1	Net Profit / (Loss) attributable to shareholders	(26,437,271)	(20,926,332)
2	Weighted average no. of. Equity Shares	36,000,000	36,000,000
3	Basic Earning Per Share	(0.73)	(0.58)

24. RELATED PARTY TRANSACTIONS:

Name	Relationship	Nature of transaction	Amt (Rs)		Outstanding Balance (Rs)	
			2013-14	2012-13	2013-14	2012-13
Yogendra Kumar Gupta	Managing Director	Loan Taken	2,185,000	25,220,000	33,443,318	67,863,318
		Loan Repaid	36,605,000	4,150,000		
Manik Dattatrey	Key Managerial Personnel	Remuneration	240,000	240,000	-	-

For, DJNV & Co.
Chartered Accountants
Firm Reg. No. 115145W

For, Mahan Industries Ltd.

Jayesh Parikh
(Partner)
M. No. 40650
Place: Ahmedabad
Date: 30/05/2014.

Director **Director**
Place: Ahmedabad
Date: 30/05/2014.



MAHAN INDUSTRIES LIMITED

Registered Address : 3rd Floor, D.K. House, Nr. Mithakhali Underbridge,
Ahmedabad - 380006 Gujarat

Tel : 079 - 30024897, Fax Nos. 079 - 26568789

www.mahan.co.in, Email address : mahanint@gmail.com

CIN : L91110GJ1995PLC024053

ATTENDANCE SLIP

(To be presented at the entrance)

DP ID _____

Folio No./Client ID _____

I/We hereby record my/our presence at the 20th Annual General Meeting of the company at 3rd Floor, D. K. House, Nr. Mithakhali Underbridge, Ahmedabad-380006 (Gujarat) on Tuesday, 30th day of September, 2014 at 09.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Signature of the Member/ Proxy

MAHAN INDUSTRIES LIMITED

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the companies (Management and Administration) Rules, 2014]

MAHAN INDUSTRIES LIMITED

Registered Address : 3rd Floor, D.K. House, Nr. Mithakhali Underbridge,

Ahmedabad - 380006 Gujarat

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www.mahan.co.in, Email address : mahanint@gmail.com

CIN : L91110GJ1995PLC024053

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No./ Client ID: _____

DP Id: _____

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name: _____

Address: _____

E-mail Id: _____ or falling him;

(2) Name: _____

Address: _____

E-mail Id: _____ or falling him;

(3) Name: _____

Address: _____

E-mail Id: _____ or falling him;



As my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 20th Annual General Meeting of the company to be held on Tuesday, 30th day of September, 2014 at 09.00 a.m. at 3rd Floor, D. K. House, Nr. Mithakhali Underbridge, Ahmedabad-380006 (Gujarat) and at any adjournment thereof in respect of such resolution as are indicate below:

Resolution No	Particulars of Resolution	Voting	
	ORDINARY BUSINESS	For	Against
1	Consider and adopt Financial Statements of the Company for the year ended 31 st March, 2014 together with the Reports of the Board of Directors and Auditors' thereon		
2	To reappoint Mr. Yogendrakumar Prabhudayal Gupta who retires by rotation and being eligible offers himself for reappointment		
3	To Reappoint Mr. Bharatbhai Tapubhai Sanchala who retires by rotation and, being eligible, himself for Re-appointment.		
4	Appointment of Auditors of the Company and fixing their remuneration		
	SPECIAL BUSINESS		
5	To appoint Shri Lalit Sharma as an Independent Director of the Company		
6	To appoint Shri Kalpesh Lalitbhai Trivedi as an Independent Director of the Company		
7	To appoint Shri Chanakya Shukla as an Independent Director of the Company		
8	To appoint Shri Dattatrey Chandrakant Manik as an Independent Director of the Company		

Signed this _____ day of _____, 2014

Signature of the Shareholder _____

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Book - Post

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