



**MAHAN**  
**INDUSTRIES LTD**

CIN : L9111OGJ1995PLC024053

Regd. Office : 3rd Floor, D. K. House, Nr. Mithakhali Bridge, Ahmedabad-380 006.  
Ph. : 079-26568789 e-mail ID : mahan.int@gmail.com Web : www.mahan.co.in

CODE OF CONDUCT  
FOR BOARD OF DIRECTORS & SENIOR MANAGEMENT

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This Code of Ethics and Business Conduct is made for Board of Directors and Senior Management of Mahan Industries Limited (hereinafter referred to as “the Company”).

The Code has been framed in compliance with the regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

The code shall be applicable to:

- i. The Directors
- and
- ii. The Senior Management

The Board of Directors (the Board) and the Senior Management of the Company agree to abide by the following Code of Conduct:

1. Attend Board/Shareholders/Committee/Senior management meetings and seek prior leave for absence from such meeting/s.
2. Exercise authority and power with due care and diligence and whilst discharging the fiduciary responsibility of office in the best interest of the Company and all the stakeholders.
3. Abide by policies and business principles of the Company.
4. Comply with all applicable laws, rules and regulations.
5. Observe strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any personal purpose or advantage.
6. Use Company property only for official purposes and for no personal gain. Not accept any personal gratification from suppliers/service providers/business partners, etc. (Note: Personal gratification will not include normal entertainment and gifts of no significant value).
7. Deal fairly with customers, suppliers, employees and other business partners.
8. Respect safety and health of all employees and provide working conditions which are not harmful to health.
9. Encourage employees to acquire skills, knowledge and training to expand/enhance their professional and specialized knowledge.



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10. Provide equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or color, merit being the sole differentiating factor.

11. Conduct business operations in compliance with competition laws and principles of fair market competition.

12. Make proper record of all financial transactions and not create undisclosed or unrecorded account/fund or asset.

13. Co-operate with Government, Trade and Industry Associations for and in the development of economic legislations concerning the business of the Company.

14. Conflict of Interest- The Board of Directors and senior Management will not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.

A. Code for Independent Directors

(Pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013)

This Code is a guide to professional conduct for independent directors and the independent directors are expected to adhere to these standards and fulfill their responsibilities in a professional and faithful manner. This Code shall form part of the Code of Conduct for Board of Directors and Senior Management.

i. Guidelines of professional conduct

An independent director shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

ii. Role and functions



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The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) Balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

iii. Duties

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;



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- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

iv. Manner of appointment

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
  - (a) The term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any; the Code of Business Ethics that the company expects its directors and employees to follow;
  - (e) the list of actions that a director should not do while functioning as such in the company; and



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(f) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **v. Re-appointment**

The reappointment of independent director shall be on the basis of report of performance evaluation.

#### **vi. Resignation or removal**

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case maybe.

Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **vii. Separate meetings**

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;



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(c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

viii. Evaluation mechanism

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

ix. ADHERENCE TO THE APPLICABLE LAWS

(1) The independent directors shall adhere to the provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent and as may be applicable to them.

(2) They shall comply with the provisions of the SEBI (LODR) regulations, 2015.

(3) They shall comply with the Code of Conduct for Board of Directors and Senior Management.

(4) They shall comply with the Code of Business Ethics of the Company.

(5) They shall comply with all the laws to the extent and as maybe applicable to the Company.

(6) They shall give a declaration that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the SEBI (LODR) regulations, 2015.

(7) The Code may be amended from time to time by the approval of the Board of Directors of the Company based in new rules & provision therein if any.

Compliance with Code of Conduct

**If any officer who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of conduct, he/she must immediately report the same to the Managing Directors of the Company. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation. Managing Directors of the Company shall determine appropriate action in response to violations of this Code of Ethics.**



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Interpretation of Code

**Any question or interpretation under this Code of Ethics and Business Conduct will be handled by Managing Directors of the Company. The Managing Directors has the authority to waive compliance with this Code of business conduct for any officer of the Company.**

Disclosure of this Code

**The Company will post this Code on the Company’s Internet website. In its annual report, the Company will disclose both the fact that it has adopted this Code and the fact that it has posted it on the Company’s website, and it will also disclose the address for this website.**

ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS

**I have received and read the Company’s Code of Business Conduct and Ethics for Officers of the Company. I understand the standards and policies contained in the Company Code of Business Conduct and Ethics and the inlaid policies or laws specific to my job. Further agree to comply with the Company**

**Code of Business Conduct and Ethics.**

**Officer Name.....**  
**Designation.....**  
**Department.....**  
**Employee No.....**  
**Signature.....**  
**Date.....**

**Please confirm compliance by return email this form to the Secretarial & Legal Department within 7 days.**

DISCLAIMERS

**THIS IS INTENDED SOLELY AS A GUIDE. THE LANGUAGE USED SHOULD NOT BE CONSTRUED AS CREATING A CONTRACT OF EMPLOYMENT BETWEEN THE COMPANY AND ANY OF ITS OFFICERS. COMPANY EXPRESSLY RETAINS THE RIGHT TO UNILATERALLY MODIFY OR AMEND THE COMPANY’S BUSINESS CONDUCT AND ETHICS, AT THE COMPANY’ SOLE DISCRETION, WITH OR WITHOUT NOTICE TO THE COMPANY’ OFFICERS.**