

# MAHAN INDUSTRIES LTD.

CIN : L91110GJ1995PLC024053

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

Date: 28/08/2021

To,  
BSE Limited,  
PhirozeJeebhoy Towers,  
Dalal Street, Mumbai- 400 001.

**BSE Scrip Code: 531515**

**Subject: Annual Report for the F.Y 2020-21**

With references to subject stated above, we have filed/uploaded Annual Report with BSE on 26<sup>th</sup> August, 2021 but due to some technical discrepancies, the copy of the Annual Report was not uploaded in full & the same we found later on.

Now, in response to the same we are again uploading the Annual Report in fully, which is also available on the Company's website [www.mahan.co.in](http://www.mahan.co.in).

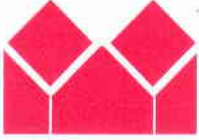
Please take the above intimation on records and kindly acknowledge the receipt of the same.

Thanking You,

**For Mahan Industries Limited**

  
**Yogendra Kumar Gupta**  
**Managing Director**  
**DIN: 01726701**





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To,  
BSE Limited,  
PhirozeJeebhoy Towers,  
Dalal Street, Mumbai- 400 001.

Date: 26/08/2021

**BSE Scrip Code: 531515**

**Subject: Notice of 27<sup>th</sup> Annual General Meeting along with Book Closure dates**

We enclose herewith the Notice of 27<sup>th</sup> Annual General Meeting ('AGM') of the Company for the financial year 2020-21 along with Annual Report, which is also available on the Company's website [www.mahan.co.in](http://www.mahan.co.in).

We wish to inform you that the AGM of the Company will be held on Tuesday, 21<sup>st</sup> September, 2021 at 11:00 A.M. at registered office of the Company at 3<sup>rd</sup> floor, D.K. House, Nr. Mithakhali underbridge, Ahmedabad-380006, Gujarat, India through Video Conferencing/ Other Audio Visual Means (VC/OAVM).

Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management & Administration) Rules, 2014 as amended and Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 14<sup>th</sup> September, 2021 to Tuesday, 21<sup>st</sup> September, 2021 (both the days inclusive).

Also, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, members are provided with the facility to cast their vote on all the resolutions set forth in the AGM Notice using electronic voting system from a place other than the venue of AGM ('remote e-voting') provided by National Securities Depository Limited ('NSDL'). The members, whose names appear in the Register of the Members/ list of Beneficial Owners as on the cut-off date i.e. Monday, 13<sup>th</sup> September, 2021, will be entitled to avail the facility of remote e-voting.

The remote e-voting period will commence on Saturday, 18<sup>th</sup> September, 2021 (9.00 A.M.) and ends on Monday, 20<sup>th</sup> September, 2021 (5.00 P.M.). Thereafter remote e-voting module shall be disabled by NSDL. However members will be able to exercise their right to vote at the AGM venue. Members are requested to follow the detailed e-voting instructions mentioned in the AGM Notice for voting on the resolutions.

Please take the above intimation on records and kindly acknowledge the receipt of the same.

Thanking You,

**For Mahan Industries Limited**

  
Yogendrakumar Gupta  
Managing Director  
DIN: 01726701



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**27<sup>th</sup>**  
**Annual Report**  
**2020-2021**



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**MAHAN**  
**INDUSTRIES LTD.**

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**Mahan Industries Limited**  
**27<sup>th</sup> Annual Report for the year 2020-21**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr.	Yogendra Kumar Gupta	: Managing Director
Mr.	Lalit K. Sharma	: Independent Director
Mr.	Kalpesh L. Trivedi	: Independent Director
Mr.	Chanakya I. Shukla	: Independent Director
Ms.	Hiralben P. Kubavat	: Independent Woman Director

**REGISTERED OFFICE ADDRESS**

: 3<sup>rd</sup> Floor D. K .House,  
Nr, Mithakhali Under Bridge,  
Mithakhali, Ahmedabad - 380006.  
Tel & Fax: 079-26568789  
E-mail ID: [mahan.int@gmail.com](mailto:mahan.int@gmail.com)  
Web Site: [www.mahan.co.in](http://www.mahan.co.in)

**BANKERS**

: Axis Bank Ltd & HDFC Bank  
Ahmedabad

**AUDITORS**

: M/s. Roopen R Shah & Co.  
Chartered Accountants

**REGISTRAR & SHARES**  
**TRANSFER AGENT**

: Adroit Corporate Service India Pvt. Ltd.  
19/20, Jaferbhoy Ind. Estate,  
1<sup>st</sup> Floor, Makwana Road, Marol,  
Andheri (East), Mumbai-400059.  
Tel : 228596060/28594060/42270400  
E-mail Id: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)



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- Notice
- Board's Report
- Remuneration Policy
- Management Discussion & Analysis Report
- Corporate Governance Report
- Practicing Company Secretary certification on Disqualification of Directors
- Auditors Certification on Corporate Governance
- Secretarial Audit Report
- Auditor's Report
- Audited Financials

**NOTICE**

Notice is hereby given that **27<sup>th</sup> Annual General Meeting** of the Members of MAHAN INDUSTRIES LIMITED will be held on Tuesday, 21<sup>st</sup> day of September, 2021 at 11:00 A.M. at the registered office of the Company at 3<sup>rd</sup> Floor, D. K. House, Nr. Mithakhali – Under bridge, Ahmedabad-380006, Gujarat, India to transact the following business, the member can join the meeting virtually through Video Conferencing/ Other Audio Visual Means (VC/OAVM) as per MCA guide lines:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and the Auditors thereon and other documents required to be attached or annexed thereto.

**“RESOLVED THAT** the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and the Auditors thereon and other documents be and are hereby considered, approved and adopted.”

2. To re-appoint Mr. Yogendra Kumar Gupta (DIN: 01726701), Director of the Company, who liable to retires by rotation as Director and being eligible, offers himself for reappointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and the rules made there under, Mr. Yogendra Kumar Gupta (DIN: 01726701), Managing Director of the company, who retires by rotation and being eligible for re-appointment, be and is hereby re- appointed as Managing Director of the Company and the same shall be liable to retire by rotation.

**SPECIAL BUSINESS**

Approval for reduction of the capital of the Company under Section 66 and other applicable provisions of the Companies Act, 2013 and rules made thereunder;  
To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Section 66 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the “Act”), read with the Articles of Association of Mahan Industries Limited (“the Company”); and subject to the Approval by Stock Exchange and confirmation by the Hon’ble National Company Law Tribunal (“NCLT”); and such other approvals as may be required and subject to the terms and conditions and modifications, if any, as may be prescribed by the National Company Law Tribunal (“NCLT”) and any other appropriate authority while granting approval or confirmation, and which may be agreed to by the Board of Directors of the Company, the reduction of share capital by 3,24,00,000 (Three crore twenty four Lakhs) equity shares of face value INR 10



(Indian Rupees Ten) per equity shares held by promoter and Public Share holder, without payment of any consideration be done. The share capital of the company after the reduction will be 3,60,00,000 (Three Crore Sixty lakh) divided into 36,00,000 (Thirty Six lakh) equity shares of Rs 10 ( Rupees Ten) each.

FURTHER RESOLVED THAT Director's of the Company be individually and severally hereby authorized to provide the certified copy of this resolution to the appropriate authorities and also authorized to do all such things that are necessary for giving effect to the above resolution."

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

Date : 25/08/2021  
Place : Ahmedabad

**Yogendra Kumar Gupta**  
Managing Director  
**DIN: 01726701**

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 27<sup>th</sup> AGM of the Company is being held through VC /OAVM and physical attendance of Members to AGM venue is not required. The Members can attend and participate in the AGM through VC/OAVM.
2. Pursuant to the above mentioned MCA circular No. 14/2020 dated 8th April, 2020 and SEBI Circular dated 12th May, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

**MAHAN INDUSTRIES LIMITED**

4. Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
5. Pursuant to the provision of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain close from 14/09/ 2021 to 21/09/2021 (both the days inclusive).
6. Brief resume of Directors proposed to be appointed/re-appointed along with such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and Secretarial Standards on General Meetings (SS-2), are provided as Annexure to this Notice.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. 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. Shareholder holding shares in physical mode are requested to submit their KYC details as per SEBI guidelines.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Adroit Corporate Services Pvt. Ltd in case the shares are held in physical form.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider and convert their holdings into dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent for assistance in this regard.
11. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.





12. To support the 'Green Initiative', members who have not registered their email addresses are requested to register their Email IDs with the RTA, M/s Adroit Corporate Services Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020 - 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021 will also be available on the Company's website [www.mahan.co.in](http://www.mahan.co.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
14. The AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
15. **Voting through electronic means:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 27<sup>th</sup> Annual General Meeting (AGM) dated 21<sup>st</sup> September, 2021. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 18<sup>th</sup> September, 2021 at 9:00 A.M. and ends on 20<sup>th</sup> September, 2021 at 5 :00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Steps for to vote electronically using NSDL e-Voting system:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

## **MAHAN INDUSTRIES LIMITED**

Details on Step 1 is mentioned below:

### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

4. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.



c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
5. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
7. Now, you will have to click on "Login" button.
8. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.

**MAHAN INDUSTRIES LIMITED**

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders :**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to arvindg\_cs@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [mahan.int@gmail.com](mailto:mahan.int@gmail.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [mahan.int@gmail.com](mailto:mahan.int@gmail.com) .



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**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

**MAHAN INDUSTRIES LIMITED**

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6. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 13<sup>th</sup> September, 2021.
7. Shri Arvind Gaudana, Practicing Company Secretary or failing him Shri Bhavya Gaudana, Practicing Company Secretary, to act as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
8. The Scrutinizer shall, after the conclusion of voting at the AGM, make, not later than three days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the AGM or a person authorised by him in writing, who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forth with.
9. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such vote cast through remote e-voting shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM through VC/OAVM, however such Member shall not be allowed to vote again during the AGM.
10. The Results shall be declared at the AGM of the Company. The result will be announced to the Stock Exchanges where the shares of the Company are listed and will also be displayed on the Company's website [www.mahan.co.in](http://www.mahan.co.in) and the Company will also request the NSDL to display the same on its website.
11. This notice is being issued having regard to provisions of section 108 and 110 of the Companies Act 2013 read with rule 20 of companies (Management and administration) rules, 2014 as per General circular no. 20/2014 and regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force with stock exchanges, as amended from time to time.



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## **EXPLANATORY STATEMENTS**

### **[Pursuant to Section 102 of Companies Act, 2013]**

The following explanatory statement sets out all material facts relating to various Business including Special Business of the accompanying Notice of the Annual General Meeting to be held on 21<sup>st</sup> September, 2021.

#### SPECIAL BUSINESS.

##### ITEM NO. 3

The proposed reduction of the Capital of Mahan Industries Limited (“the Company”) is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013, (including any statutory modification(s) or reenactment thereof for the time being in force) and the rules made there under (the “Act”) and specifically the Hon’ble National Company Law Tribunal (Procedure for Reduction of Capital of Company) Rules, 2016 (“Reduction Rules”), which permits the Company to undertake a reduction of its share capital.

The Company has Paid Up Share Capital of 3,60,00,000 (Three Crore Sixty Lakh) Number of Share of Rs. 10/- (Rupees Ten each) aggregating Amount of Rs. 360,000,000/- (Rupees Thirty Six Crore Only).

The Company has accumulated loss at Rs . 32,71,63,365 at 31.03.2021 For ensuring that the financial statements of the Company reflect the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet it is necessary to carry out reduction of capital of the Company

Upon the Scheme becoming effective, 3,24,00,000 (Three Crore Twenty Four Lakhs) equity shares of face value INR 10 (Indian Rupees Ten) per equity shares shall stand cancelled and extinguished held by promoter and Public Share holder shall be cancelled, with corresponding adjustment 32,40,00,000 from the accumulated loss.

The paid-up equity share capital of the Company as on the Effective Date shall become INR 3,60,00,000 (Three Crore Sixty lakh) divided into 36,00,000 (Thirty Six lakh) equity shares of Rs 10 ( Rupees Ten) each

The reduction of Capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.

**MAHAN INDUSTRIES LIMITED**

The Scheme of Reduction of Share Capital is presented with a view to achieve Restructuring of the Company which would result in reducing of the accumulated losses of the Company and improvement in financial health as more business activities shall be brought into the Company.

The Scheme of Reduction of Share Capital will result in reflecting the financial statements at the actual values which would enhance shareholders value and Confidence

**PROPOSED SCHEME FOR  
REDUCTION OF SHARE  
CAPITAL  
OF  
MAHAN INDUSTRIES  
LIMITED  
WITH  
ITS SHAREHOLDERS AND  
CREDITORS**

**UNDER SECTION 66 READ WITH SECTION 52 AND OTHER  
APPLICABLE SECTIONS OF THE COMPANIES ACT, 2013 AND  
NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR  
REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016**

**PARTS OF THE SCHEME**

This Scheme is divided into the following Parts:

**Part A** deals with the Preamble and details of the Company.

**Part B** deals with Rationale and Salient Features of the Scheme

**Part C** deals with definitions;

**Part D** deals with the Reduction of share capital of the Company; and

**Part E** deals with the general terms and conditions applicable to the Scheme.





## **PART A : THE PREAMBLE AND DETAILS OF THE COMPANY.**

### **A. PREAMBLE**

This scheme of selective reduction of share capital (“**Scheme**”) is presented under the provisions of Section 66 read with Section 52 and other relevant provisions of the Companies Act, 2013 (“**Act**”) read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (“**Rules**”) for the reduction of equity share capital of Mahan Industries Limited (“**Company**”) as specified in this Scheme.

### **1. DETAILS OF THE COMPANY**

Incorporation of the Company

- (a) The Company was incorporated on January 02, 1995 in Ahmedabad under the provisions of the Companies Act, 1913, under the name ‘*Mahan Fin stock Limited*. Pursuant to effectiveness of Section 24 of the Companies Act, 1956, In 1997 Company has applied for change in name from *Mahan Fin stock limited* to *Mahan Industries limited*;
- (b) The registered office of the Company is at D.K House, 3<sup>rd</sup> Floor, Nr. Mitha-Khali Under Bridge, Navarangpura Ahmedabad-380006;
- (c) The corporate identity number of the Company is L91110GJ1995PLC024053.
- (d) The shares of the Company are listed on the BSE Limited,

(e) The Company is *inter alia* engaged in the business of trading investment, business of financial company, to undertake all types of leasing and hire purchase rental business relating to all kinds of machinery, plant equipment, ships, vehicles, air craft's, buildings, houses, Syndicate leasing or hire purchase business, to undertake bill discounting business, and to finance housing Business and to finance for working Capital.

#### Objects of the Company

The Memorandum of Association of the Company sets out *inter alia* the following objects:

To carry on business of trading investment, business of financial company, to undertake all types of leasing and hire purchase rental business relating to all kinds of machinery, plant equipment, ships, vehicles, air craft's, buildings, houses, Syndicate leasing or hire purchase business, to undertake bill discounting business, and to finance housing Business and to finance for working Capital

#### Capital Reduction and the Articles of Association of the Company

Article 8 of the Articles of Association of the Company authorizes the Company by special resolution to reduce its share capital in any manner. Article 8 of the Articles of Association of the Company for the sake of ready reference, is set out hereunder:

*"The Company may (subject to the provisions of Section 52, 55, 66 and any other provisions of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve*



*Fund or other premium account in any manner for the time being authorized by law.”*

### Share Capital

The share capital structure of the Company, as on March 31, 2021 is as under:

Share Capital	Amount (INR)
Authorized Share Capital 3,73,00,000 equity shares of INR 10 each	37,30,00,000
Total	37,30,00,000
Issued, Subscribed and Paid-up Share Capital 3,60,00,000 equity shares of INR 10 each	36,00,00,000
Total	36,00,00,000

### Financials

The key aspects with respect to the financial performance of the Company for the financial year ended March 31, 2021 are as summarized below:

Particulars	Financial Year ended March 31, 2021(Amount in INR Crores)
Subscribed, Issued and fully Paid up Share Capital divided in to 3,60,00,000 of Rs. 10/- each	36,00,00,000
Accumulated Losses	(32,71,63,365)
Net Worth	3,28,36,635

## **Part B : RATIONALE AND SALIENT FEATUES OF THE SCHEME**

- 2.** The background and reasons/ rationale, commercial justification of the proposed Scheme are as follows:
- (a) The proposed reduction of the equity share capital of Company is being undertaken in accordance with the provisions of Section 66 readwith Section 52 of the Act and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the Listing Regulations (*as defined hereinafter*) and the SEBI Circular (*as defined hereinafter*).
  - (b) In view of the accumulated carry forward losses that the Company's Balance Sheet is not reflecting at its actual value and with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion program that has been considered for development would need huge amount of investment both in terms of equity as well as debt.
  - (c) Continuous Losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company. This has given rise to the need to re-adjust the relation between capital and assets and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts. The Company has evaluated the effect of this upon the Company's functioning and has carefully examined different options available to the Company. After detailed deliberations, the Board of Directors of the Company is of the view that reduction of capital in accordance with section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016, is the only practical and economically efficient legal option available to the Company. In order



to reflect its assets and liabilities at their real value and maximize its business value, the Company proposes to reduce the equity share capital of the company In accordance with Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016.

- (d) The Scheme of Reduction of Share Capital is presented with a view to achieve Restructuring of the Company which would result in reducing of the accumulated losses of the Company and improvement in financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick Company.
- (e) Upon the Scheme coming into effect from the appointed date :  
By the effective date and after securing necessary approvals and permissions, accumulated losses of Rs. 32,71,63,365 ( Rupees Thirty Two crore Seventy one lac sixty three thousand three hundred sixty five ) will be set off to the extent of the share capital cancelled i.e. 90 % of Rs. 36,00,00,000 (Thirty Six Crore ) which will amount to Rs. 32,40,00,000 (Thirty Two Crore Forty Lacs) with effect from the appointed date.
- (f) With the aim of attracting a globally reputed player such as the Investor in the Company to meet its business objectives of the Company in the long run, the Company has agreed, subject to compliance with applicable laws, receipt of necessary regulatory approvals and allotment of the Subscription Shares to the Investor, to selectively reduce 324,00,000 (Three Crore Twenty Four Lacs) equity shares of face value INR 10 (Indian Rupees Ten) per equity shares held by promoter and Public Share holder, without payment of any consideration. ("**Capital Reduction**").
- (g) The Board of Directors of the Company in its meeting held on August 12, 2021, *inter alia*, provided an in-principle approval to consider reducing the share capital of the Company by such number of equity shares which is equal to the number of Subscription Shares, by cancelling and extinguishing 3,24,00,000 (Three Crore Twenty Four Lacs) equity shares of face value INR 10 (Indian Rupees Ten) per equity shares held by promoter

## **MAHAN INDUSTRIES LIMITED**

and Public Share holder, without payment of any consideration.

- (h) The proposed reduction of equity share capital of the Company would not have any adverse effect on the creditors and employees of the Company or the Company's ability to fulfil its commitments or meet its obligations in the ordinary course of business as there is no payout resulting from the proposed capital reduction.
- (i) The reduction of capital in the manner proposed would be beneficial to all the shareholders of the Company as the same shall ensure that the total equity share capital of the Company remains unchanged even after the preferential allotment to the Investor.

## **PART C: DEFINITIONS**

### **3. DEFINITIONS**

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- (a) **"Act"** means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued there under, including without limitation the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, each as amended from time to time;
- (b) **"Board"** or **"Board of Directors"** means the board of directors of the Company including any duly constituted committee(s) thereof;
- (c) **"Capital Reduction"** means the selective 324,00,000 (Three Crore Twenty Four lacs) equity shares of face value INR 10 (Indian Rupees Ten) per equity shares held by promoter and Public Share holder, without payment of any consideration ;
- (d) **"Company"** means Mahan Industries Limited, a company incorporated under the Companies Act, 1913 having its registered office at D.K House, 3<sup>rd</sup> Floor, Nr. Mitha-Khali Under Bridge, Navarangpura Ahmedabad-380006;
- (e) **"Effective Date"** means the date on which the certified copy of the order passed by the NCLT sanctioning the Scheme and minute of reduction is filed with the Registrar of Companies, Ahmadabad
- (f) **"Ind AS"** means the Indian Accounting Standards prescribed under Section 133 of the Act;



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- (g) **“Investor”** means Equity Shareholder of the Company;
- (h) **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (i) **“RoC”** means the Registrar of Companies, Ahmadabad;
- (j) **“Rules”** means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, as amended from time to time;
- (k) **“SEBI Circular”** means the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time;
- (l) **“Scheme”** means this scheme of arrangement between the Company and its shareholders, pursuant to the provisions of Section 66 read with Section 52 and other applicable provisions of the Act, and rules made there under;
- (m) **“SEBI”** mean the Securities and Exchange Board of India;
- (n) **“Stock Exchanges”** means the stock exchanges where the equity shares of the Company are listed and are admitted to trading, viz, BSE Limited;
- (o) **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal, Ahmadabad bench.
- (p) **“Record Date”** means the date to be fixed by Board of Directors for the reduction of share capital as per the scheme

All terms and words not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Exchange Board of India Act, 1992, Listing Regulations and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

**PART D: BACKGROUND AND REDUCTION OF SHARE CAPITAL  
OF THE COMPANY**

**4. Reduction of Share Capital of the Company :**

- 4.1 Upon effectiveness of the Scheme 3,24,00,000 (Three Crore Twenty Four Lacs ) equity shares will reduced and the share capital of the company will be 36,00,00,000 (Thirty Six Lakh And Ninety Five) equity shares of face value INR 10 (Indian Rupees Ten) equity shares held by promoter and Public Share holder, without payment of any consideration with the adjustment of loss of 32,40,00,000 (Rupees Thirty Two Crore Forty Lacs).
- 4.2 The Scheme seeks to reduce or otherwise alter the issued, subscribed and paid up share capital of the Company and the same will reduce as a result of the Scheme.
- 4.3 On the Effective date and after securing necessary approvals and permissions the Company shall reduce its fully paid up equity share capital from Rs. 36,00,00,000 (Thirty Six Crore) divided in to 3,60,00,000 (Three Crore Sixty lacs) Equity Shares of Rs. 10/- each to Rs. 3,60,00,000 (Three crore Sixty lacs) divided in to 36,00,000 (Thirty Six lacs) Equity share of Rs.10/- each. The accumulated losses of Rs. 32,71,63,365 ( Rupees Thirty Two crore Seventy one lac sixty three thousand three hundred sixty five ) will be set of to the extent of the share capital cancelled i.e. 90 % of Rs. 36,00,00,000 (Thirty Six Crore ) which will amount to Rs. 32,40,00,000 (Thirty Two Crore Forty Lacs) with effect from the appointed date.
- 4.4 The Company acting through the Board of Directors shall be empowered to advise the depository participant of the equity shareholders in dematerialized form, on the record date, the information of shareholding arising out of reorganization of capital pursuant to this Scheme, for substitution thereof or in lieu of the certificates of the equity shares held by them before such reorganization of capital.





4.5 Reduction and the consequent cancellation of the Equity Share Capital of the Company as hereinabove, shall be affected as per the provisions of Section 66 of the Act read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Act and Rules and Regulations made there under upon the Scheme becoming effective. The order of National Company Law Tribunal (NCLT) Ahmadabad Bench/Regional Director Western Region, Register of Companies or any other competent authority sanctioning the Scheme shall border under 66 of the Act read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 for the purpose of confirming the reduction. The reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

4.6 RE-ORGANISATION OF PAID UP SHARE CAPITAL AND ITS IMPACT ON THE COMPANY

The share capital of the Company before and after the Capital Reduction in terms of this Scheme shall be as under:

Particulars	As on date of approval of the Scheme by Board of Directors		Post Capital reduction in terms of this Scheme	
	Number of Equity shares	Amount(INR)	Number of Equity shares	Amount (INR)
<b>Authorized equity share Capital</b>	3,73,00,000	3,73,000,000	3,73,00,000	3,73,000,000
<b>Issued Subscribed Paid-up equity share capital</b>	3,60,00,000	3,60,000,000	36,00,000	3,60,00,000

- 4.7 Any fraction shares arising on account of reduction of Equity share Capital shall be rounded off to the nearest integer. For example share holder will hold 10.4 shares after reduction it shall be rounded off to 10 equity shares and 0.40 shall be ignored. However, if the shareholder holds 10.50 shares it shall be rounded off to 11 shares. Further, if a shareholder holds 10 or less than 10 shares as on the record date to be fixed by the Board then such shareholders shareholding will be reduced to one share, for example if Shareholders holds 10 shares after reduction of capital it shall be rounded off to 1 share, if they hold 9 shares after reduction of capital it shall be rounded off to 1 share, if they hold 1 shares after reduction of capital they shall continue to hold 1 share. For the purpose of rounding off, the promoters will offer their holdings for reduction to the nearest rounding off so that post reduction the equity share capital of the Company shall remain amount Rs. 3,24,00,000 (Three crore Twenty Four Lacs) consisting of 32,40,000 Thirty Two lacs forty thousand) fully paid up equity share of Rs. 10/- each.
- 4.8 The Company shall not be required to use the words “AND REDUCED” as part of its corporate name and such use is dispensed with.
- 4.9 The Capital Reduction and the consequent reducing equity share capital shall be effected as per the provisions of Section 66 read with Section 52 of the Act and other applicable provisions of the Act, rules (including the Rules) and regulations made there under upon the Scheme becoming effective.
- 4.10 The Capital Reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.



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4.11 Object/Benefits arising out of the scheme:

- The Company has incurred heavy losses in past and has an eroded net worth.
- The Scheme will enable the Company to overcome its financial difficulties and improve its working in the future.
- Once the Scheme is sanctioned it would enable the Company to share its future profits with its shareholders.
- The true financial statements of the Company would ensure the Company to attract new source of revenue and in turn enhancement of its Shareholder's value.
- The Scheme will help the growth of the Company, which will be in the interest of its employee, shareholders, the national and state exchequer and the society in general
- The scheme will facilitate the Company to expand and smoothen the business activities. The experience and expertise of the promoters will bring efficiency and professionalism in the management of the Company.

**PART E : OTHER DISCLOSURES, GENERAL TERMS AND  
CONDITIONS APPLICABLE TO THE SCHEME**

**5. OTHER DISCLOSURES**

- 5.1 No investigations or proceedings have been instituted and are pending against the Company under the Act.
- 5.2 The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.
- 5.3 The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees and depositors of the Company. The Company does not have any debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.
- 5.4 The benefits of the Scheme to the Company and its respective members, creditors and employees, as perceived by the Board of the Company are mentioned in Part B of the introduction of this Scheme (*Rationale of Scheme*).
- 5.5 The Capital Reduction will not cause any prejudice to the creditors of the Company as there will not be any reduction in the amount payable to the respective creditors. The liabilities with respect to payments due to the creditors will be discharged by the Company in accordance with the terms of their agreements with the Company, if any, or in the ordinary course of business, as the case may be. The Company has positive net worth and therefore the proposed Capital Reduction will not adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.
- 5.6 The Capital Reduction will not have any adverse impact on the employees and workers of the Company in any manner and their service shall be continuous and they will continue to enjoy the same benefits as they used to before the Capital Reduction.



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- 5.7 The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.
- 5.8 The Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Company to any person or entity.
- 5.9 The Scheme is merely a Capital Reduction and does not involve any conveyance or transfer of any property of the Company and does not involve any issue of shares. Consequently, the order of NCLT approving the Scheme will not attract any stamp duty.
- 5.10 Notwithstanding the Capital Reduction in pursuance to this Scheme and subject to the orders of the NCLT, the Company shall not be required to add the words “And Reduced” as a suffix.

## **6. COMPLIANCE**

- 6.1 The consent of the members of the Company for the Capital Reduction and this Scheme shall be obtained through a special resolution under the provisions of Section 66 of the Act and any other applicable provision.
- 6.2 The Scheme, if sanctioned, shall be fully in compliance of the Securities and Exchange Board of India Act, 1992, Listing Regulations and SEBI Circular.

## **7. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY**

Upon the Scheme becoming effective, effective 3,24,00,000 (Three crore twenty Four lacs ) equity shares of face value INR 10 (Indian Rupees Ten) per equity shares shall stand cancelled and extinguished held by promoter and Public Share holder shall be cancelled, with corresponding adjustment by way of Adjust to loss of 32,40,00,000 out of total loss of Rs. 32,71,63,365 as on 31-03-2021.

**8. MINUTE**

The Form of Minute proposed to be registered under Section 66(5) of the Act and Rule 6(2) of the Rules is as follows:

*“The issued, subscribed and paid-up capital of Mahan Industries limited is henceforth INR 3,60,00,000 (Indian Rupees Three Crore Sixty lakh) divided into 36,00,000 (Thirty Six lakh and Ninety Five) equity shares of INR 10 (Indian Rupees Ten) each reduced from INR effective 32,40,00,000 (Indian Rupees Thirty Two Crore Forty lacs) divided into 3,24,00,000 (Three crore twenty Four Lakhs) equity shares of INR 10 (Indian Rupees Ten) each.”*

**9. LEGAL PROCEEDINGS**

The Scheme will not affect any legal or other proceedings by or against the Company, pending or arising, but the proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company prior to the Scheme.

**10. CONDUCT OF BUSINESS BY COMPANY**

The Scheme does not involve any financial outlay / outgo and therefore, will not affect the ability or liquidity of the Company to meet its obligations / commitments in the normal course of business. Further, this Scheme will also not in any way adversely affect the ordinary operations of the Company during the course, or after the approval, of the Scheme.

**11. APPLICATION TO THE TRIBUNAL**

The Company shall make applications/petitions under Section 66 and other applicable provisions of the Act to the National Company Law Tribunal, Ahmadabad Bench for the sanction of this Scheme, minute of reduction and all matters ancillary or incidental thereto.



## **12. JUSTIFICATION OF THE SCHEME**

- a) The accumulated losses of the Company as on 31<sup>st</sup> March, 2021 which amounted to Rs. 32,71,63,365 has wiped off the entire net worth of the Company. The Company has been consistently running into losses and has substantial carried forward losses in its Financial Statements making it difficult for the Company to either raise new resources for expansion or for any modernization. The Company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Scheme would enable the Company to show the actual financial position in its balance sheet to depict the representing assets value which in turn enable it to approach for financial assistance in order to develop its business and thereby decrease accumulated losses to enhance the stakeholder's value.
- b) In view of the above, the Company is seeking to reconstruct/restructure its capital by way of writing off its accumulated capital loss against the reduction of its—paid up capital which is not represented by available assets.

## **13. MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

- 13.1 The Company will be at liberty to apply to the NCLT from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act.

13.2 Subject to the provisions of the SEBI Circular, the Company through its Board, may assent to any modifications/ amendments to the respective section of this Scheme and/ or to any conditions or limitations, including such modifications/ amendments and/ or conditions or limitations that the Tribunal, the SEBI, the Stock Exchanges and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Company, through its authorized representatives, be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

13.3 All amendments / modifications to the scheme pursuant to this clause shall be subject to approval of National Company Law Tribunal, Ahmadabad Bench, Regional Director North-Western Region, Registrar of Companies or any other competent authorities.

#### **14. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- (a) the Scheme being approved by the members of the Company through special resolution and provided that the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it through e-voting in terms of Para 1(A)(9) of Annexure I of SEBI Circular
- (b) the Scheme being approved by the creditors of the Company as prescribed under the Act and/or as may be directed by NCLT and/or any other appropriate authority as maybe applicable;
- (c) the Company obtaining the observation letter / no-objection letter from the





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relevant Stock Exchanges for the implementation of the Scheme;

- (d) the Scheme being sanctioned by the Tribunal under Section 66 and any other applicable provision of the Act;
- (e) certified copy of the order of the Tribunal sanctioning this Scheme and the minute of reduction being filed with the RoC by the Company; and
- (f) the requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

## **15. EFFECT OF NON-RECEIPT OF APPROVALS**

- 15.1 In the event of any of the sanctions and approvals referred to in Para 14 above not being obtained and / or the Capital Reduction not being sanctioned by the Hon'ble Tribunal or such other appropriate authority, if any, this Capital Reduction shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Capital Reduction or as may otherwise arise in law and agreed between the relevant parties.
- 15.2 The Board of the Company shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and/ or to withdraw the Scheme or any part thereof and respective applications/ petitions filed with the Tribunal for any reason including if the Board is of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on the Company or in case any condition or alteration imposed by the Tribunal or any other authority or entity is not on terms acceptable to them.

## **16. COSTS, CHARGES AND EXPENSES**

The Company shall bear all the costs, charges, taxes including duties, levies

**MAHAN INDUSTRIES LIMITED**

and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.



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**17. LISTING OF SHARES**

Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the listing benefits of the Company, for the existing shares being issued in pursuance of this Scheme, on all or any of the Stock Exchange where the existing equity shares of the Company are listed may continue and the Company will comply the applicable provisions of the Listing Agreement with the Stock Exchange for listing and trading of shares.

**18. MISCELLANEOUS**

Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words “And Reduced” to its name as the last words there of

**ANNEXURE TO AGM NOTICE**

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

<b>Name of Director</b>	Mr. Yogendra Kumar Gupta
<b>DIN</b>	01726701
<b>Date of Birth</b>	01.02.1957
<b>Qualification</b>	Graduate
<b>Expertise in specific area</b>	Expertise in administration and accounting Matters
Date of first appointment in the current designation	02.01.1995
Shareholding in the Company	533454
Directorships	Mahan Industries Limited
Memberships/ Chairmanship of Committees of other companies	NIL
Inter-se relationship between Directors and other Key Managerial Personnel	NIL
Number of Meetings of the Board attended	5
Details of remuneration last drawn	N.A.

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

**Yogendra Kumar Gupta**  
Managing Director  
**DIN: 0172670**

Date: 25/08/2021  
Place: Ahmedabad



## BOARD'S REPORT

To,

**The Members,  
Mahan Industries Limited**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report on the business and operations of your Company, along with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2021.

Web Address of company: [www.mahan.co.in](http://www.mahan.co.in)

### **FINANCIAL PERFORMANCE**

The summary of the Financial Result of the Company for the year under review are as under and figures are updated as per IND AS:

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Amt (Rs.)	Amt (Rs.)
<b>INCOME</b>		
Revenue from Operations	33,19,496	68,33,742
Other Income	NIL	7,02,359
<b>Total Revenue (i)</b>	33,19,496	75,36,100
<b>EXPENDITURE</b>		
Purchase	36,09,396	30,72,344
(Increase)/ Decrease in inventory	(4,55,101)	28,93,688
Employee Benefits Expense	15,79,745	13,70,990
Finance Cost	10,205	16,539
Depreciation	18,773	18,773
Other Expenses	3,07,16,960	9,69,521
Diminution (Gain) in Value of Investments Quoted/ Unquoted	1,85,69,058	69,89,115
Diminution (Gain) in Value of Long Term Investment	NIL	NIL
Bad Debt or Loan Written Off.	1,09,37,837	5,92,500
Income Tax Exp earlier years written off./STT/MAT Written off/		5,61,351
<b>Total Expenses (ii)</b>	3,54,79,978	1,64,84,821
<b>Profit / ( Loss) before Tax</b> <b>[(i) - (ii)]</b>	(3,21,60,481)	(89,48,721)
Tax expense:	-	-

**RESERVES AND SURPLUS:**

As on 31/03/2021 the Balance of Profit and Loss shows a Loss of Rs. 32,71,63,365/- as against P.F.Y. 29,50,02,884/-. During the year the Company has incurred a loss of Rs. 3,21,60,481 /- as against P.Y. Rs 89,48,720/-. There is no change in Capital Reserves balance. The opening and closing balance of capital reserves stands at Rs. 90,00,000/-.

**DIVIDEND:**

No Dividend for the year under the review is recommended.

**PERFORMANCE REVIEW**

During the financial year 2020-21, company's Performances have suffered due to high risk and volatility in stock markets during second wave of COVID-19 pandemic and funds constraint. Your company is trying to revive and improve performance.

**SHARE CAPITAL**

The Authorized Share Capital of the Company is Rs. 37,30,00,000 and paid up Equity Share Capital is Rs. 36,00,00,000 as at March 31, 2021. During the year under review, the Company has not issued any shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2021, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

**CHANGE IN NATURE OF COMPANY BUSINESS**

The Company is a Non-Banking financial Company (Non Deposit taking) registered with the Reserve Bank of India. There is no change in nature of Company Business.

**DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED**

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.

Mr. Dattatrey Manik ceased to be director and Chief Financial Officer (CFO) due to sudden demise on 27<sup>th</sup> April, 2021. The Board of Directors places on record ,deep sorrow on his untimely demise due to covid and highest appreciation for services rendered by him during his tenure.

Mr Sunil Gurnani is appointed as Chief Financial Officer (CFO) with effect from 27<sup>th</sup> April, 2021.



**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

During the year, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report, except as mentioned in this report.

**DETAILS OF HOLDING / SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES:**

During the year under review, there was no holding, Subsidiary Company, Joint Ventures or Associate Companies.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:**

The BSE has revoked its interim order dated 14/03/2018 imposing restrictions on the promoters and directors of the Company earlier, i.e. promoters and directors be permitted only to buy the securities of the company and that, they shall not sell their existing holding in the Company.

Thus restoring the status of company as it was prior to 7th August 2017.

Except above, during the year under review there were no significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status. No order has been passed by any Regulators or Court or Tribunals which may have impact on the Company's operation in future.

**INTERNAL FINANCIAL CONTROLS**

Internal Financial Control system of the Company has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable Accounting Standards.

The Company has an adequate internal financial control to support the preparation of the financial statements.

**CODE OF CONDUCT**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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, 2021 is also contained in the Corporate Governance Report.

### **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.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors report that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period.

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) The Directors have prepared the annual accounts on a going concern basis.

(e) The Directors have laid down internal financial controls as required by Explanation to Section 134(5) (e) of the Act to be followed by the Company and such internal financial controls are adequate and are operating effectively.

(f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to provision of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 the Company has no particulars to report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo during the year under review.





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## **EXTRACT OF THE ANNUAL RETURN**

Pursuant to provision of Section 92 and 134 and other applicable provision of the companies Act, 2013 and of Rule 12(1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form MGT-9 for the financial year ended on 31<sup>st</sup> March, 2021 is annexed as '**Annexure I**' to this report.

## **PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration requiring disclosure under the Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **LISTING:**

The Equity Shares of the Company are listed on Bombay Stock Exchange. The Listed entity paid fees amounting of Rs. 3,31,500/- after deducting TDS of Rs. 22,500/- through NEFT on 22nd September, 2020 instead of by 30th June, 2020.

## **AUDITORS AND AUDITORS' REPORT**

M/s. Roopen R. Shah & Co., Chartered Accountants (Firm Reg. No. 119869W) were appointed as Statutory Auditors of the Company to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting until the conclusion of 27<sup>th</sup> Annual General Meeting.

M/s. Roopen R. Shah & Co. have confirmed their eligibility and qualification required under section 139, 141 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

There is no qualification or adverse remarks in the auditor's 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 177 of the Companies Act, 2013 & Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detail of the constitution of the audit committee is provided in the Corporate Governance Report. In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate.

**DEMATERIALIZATION OF SHARES:**

The ISIN for the equity shares is INE735D01033. As on 31<sup>st</sup> March, 2021 total 2,28,03,625 Equity Shares of the Company have been dematerialized. The Members of the Company are requested to dematerialize their Shares. Shareholders holding shares in physical mode are requested to submit their KYC details as per SEBI guidelines.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year. No advance is / was paid for entering into related party transactions. The details of the transactions entered with related party are mentioned in the notes to the accounts.

**PARTICULARS OF LOANS/GUARANTEES/INVESTMENT:**

The Company has not given any loan / guarantee or provided any Security or made any investment to any person (except those required for business purpose). The details of investments made during the year are provided in the Balance Sheet. Further the Company is a Non Banking finance Company and therefore it is eligible for exemption as provided under Section 186 (11) of the Companies Act, 2013. The Company and its Directors do not have any relation to the person to whom the loan is provided or the Company in which the investment is made. The loan and investment are made for Business purpose.

**RISK MANAGEMENT POLICY**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventories and integrated with the management process such that they received the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section. The Risk Management Policy is also available on the Company's website. i.e. [www.mahan.co.in](http://www.mahan.co.in).



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## **DECLARATION BY INDEPENDENT DIRECTORS**

The following Directors are independent in terms of Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

- (a) Mr. Lalit Sharma
- (b) Mr. Kalpesh Trivedi
- (c) Mr. Chanakya Shukla
- (d) Mrs. Hiralben Kubavat

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence.

## **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The requisite details as required by Section 134(3)(e), Section 178(3) & (4) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is attached herewith and forms part of the Directors Report.

The details in respect of Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in 'Annexure II' of the Report.

The details of the Nomination and Remunerations policy of the Company as required in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is available at the website of the company at i.e. [www.mahan.co.in](http://www.mahan.co.in).

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis as stipulated under the Listing Regulation is attached in 'Annexure III' forming part of the Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, development in business operations/performance of the Company's business and other material changes with respect to the Company pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## **NUMBER OF BOARD MEETINGS**

The Board meets at regular intervals to discuss and decide on Company/ business policy and strategy, apart from other Board business. The Board/ Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is

taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Ahmedabad. The Agenda of the Board /Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year the Board of Directors met 5 times. The details of the Board Meetings are provided in the Corporate Governance Report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company is not covered under the criteria of the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and therefore it is not mandatory for the Company to have the Corporate Social Responsibility.

### **CORPORATE GOVERNANCE**

In compliance with Regulation 34 of Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditor's on its compliance forms an integral part of this Annual Report attached as an 'Annexure -IV'.

### **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The insider trading Policy is also available on the Website of the Company i.e. [www.mahan.co.in](http://www.mahan.co.in)

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman. All employees (permanent, contractual,



temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2020-21 and hence no complaint is outstanding as on 31.03.2021 for Redressal. There is no female employee working with company.

### **SECRETARIAL STANDARDS**

Pursuant to provision of Section 110 of the Companies Act, 2013 the Company has complied with the mandatory Secretarial Standards which are notified.

### **COST AUDIT**

The Company is not engaged in the manufacturing activity and therefore the provisions of Cost Audit are not applicable to the Company.

### **SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2021 given by M/s. Gaudana & Gaudana, Practicing Company Secretaries is attached herewith and marked as '**Annexure V**' which forms part of the Directors Report. The observations are self explanatory.

### **ANNUAL PERFORMANCE EVALUATION**

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non Independent Directors including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on 05<sup>th</sup> February, 2021. The Committee has carried out evaluation of all Directors

including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed at the Board Meeting.

### **BOARD**

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Yogendra kumar Gupta, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment Director of the Company. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Yogendra Kumar Gupta has been given in the Notice convening the Annual General Meeting.

### **COMMITTEES OF THE BOARD**

The performance of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Independent Directors was evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed there under and the Listing Regulations.

### **INDIVIDUAL DIRECTORS**

(a) Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each Independent Director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.



(b) Non-Independent Directors: The performance of each of the non-independent directors (including the chair person) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership.

### **CEO AND CFO CERTIFICATION**

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate from Mr. Yogendra Kumar Gupta, Managing Director for the year ended 31<sup>st</sup> March, 2021 is given in the Corporate Governance Report.

Due to sudden death due to COVID-19 Pandemic, Late Manik Dattatrey C., Chief Financial Officer of the Company, certificate is obtained from newly appointed CFO Shri Suni Gurnani.

### **MATERIAL CHANGES AND COMMITMENTS**

The BSE has revoked its interim order dated 14/03/2018 imposing restrictions on the promoters and directors of the Company earlier, i.e. promoters and directors be permitted only to buy the securities of the company and that, they shall not sell their existing holding in the Company.

Thus restoring the status of company as it was prior to 7th August 2017.

Except above, during the year under review there were no significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status. No order has been passed by any Regulators or Court or Tribunals which may have impact on the Company's operation in future.

### **VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The Company has a Vigil mechanism & Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be reported to the Vigilance & Ethics Officer which operates under the supervision of the Audit Committee, as protected disclosures through an e-mail, or dedicated telephone line or a written letter. Employees may also report directly to the Chairman of the Audit Committee. The said Policy is available on the website of the Company.

### **POLICY ON RELATED PARTY TRANSACTIONS**

The Board of the Company has adopted the Policy and procedure with regard to Related Party Transactions from time to time. The policy envisages the various procedures governing the materiality of Related Party Transactions and dealing with Related Party transactions required to be followed by Company to ensure compliance with the all applicable Laws and Regulations. Related Party Transaction Policy has been placed on the website of the Company and can be accessed at the link: [www.mahan.co.in](http://www.mahan.co.in)

### **DETAILS OF FRAUDS REPORTED BY AUDITORS**

The Auditors did not found and hence reported any fraud during the year as per the Section 134 (3) (ca) of the Companies (Amendment) Act, 2015.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to investor Education and Protection Fund (IEPF).

### **WEB ADDRESS WHERE THE COPY OF THE ANNUAL RETURN:**

The Annual Return for the financial year 2020-21 onwards as referred in sub-section (3) of Section 92 will be placed on below web address as per Section 134 (3) (a) of the Companies (Amendment) Act, 2015: [www.mahan.co.in](http://www.mahan.co.in)

### **OTHER DISCLOSURES**

- a. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- b. The Managing Director of the company does not take any remuneration or commission from the Company;
- c. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors; and
- d. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.





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**APPRECIATION:**

Your Directors acknowledge the continued support and cooperation received from the Central Government, Shareholders, Banks and other Lenders, suppliers and Dealers.

The Board also wishes to record its sincere appreciation of the total commitment, dedication and hard work, put in by every stakeholder of the Company.

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

Date: 12/08/2021  
Place: Ahmedabad

**Yogendra kumar Gupta**  
Managing Director  
**DIN: 01726701**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2021**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the**  
**Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION AND OTHER DETAILS:-**

1.	CIN	<b>L91110GJ1995PLC024053</b>
2.	Registration Date	02/01/1995
3.	Name of the Company	<b>Mahan Industries Limited</b>
4.	Category Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	D K House 3 <sup>rd</sup> Floor, Nr Mithakhali Under Bridge, Navrangpura, Ahmedabad-380006, Gujarat Email : mahan.int@gmail.com Telephone : 079-26568789 Website. :www.mahan.co.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E ) Mumbai-400059

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Finance and Investment	65	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/Subsidiary/Associate	% Of Shares Held	Applicable Section
	NIL	NIL	NIL	NIL	-

**III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**



## A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters and Parties Acting in concert</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	200	0	200	0	200	0	200	0	
b) Central Govt. /State Govt. (s).	0	0	0	0	0	0	0	0	
c) Financial Institutions /Banks	0	0	0	0	0	0	0	0	
d) Any Other.	0	0	0	0	0	0	0	0	
Director	5,33,454	0	5,33,454	1.48	5,33,454	0	5,33,454	1.48	
<b>Total shareholding of Promoter (A) (1)</b>	<b>5,33,654</b>	<b>0</b>	<b>5,33,654</b>	<b>1.48</b>	<b>5,33,654</b>	<b>0</b>	<b>5,33,654</b>	<b>1.48</b>	
<b>2) Foreign</b>									
g) NRI-Individuals	0	0	0	0	0	0	0	0	0
h) Other Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks/FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub Totals(A)(2)	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,25,89,367	76,38,600	2,02,27,967	57.19	1,16,33,166	76,38,600	1,92,71,766	53.53	3.89
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	54,76,885	1,55,125	56,32,010	15.64	58,88,903	1,55,175	60,44,078	15.64	0

## MAHAN INDUSTRIES LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	42,03,769	54,02,600	96,06,369	26.68	46,26,709	54,02,600	1,00,29,309	27.86	1.18
c) Others (specify)	0	0	0	0	1,21,193	0	1,21,193	0.34	0.31
<b>Sub-total (B)(2):-</b>	<b>2,28,03,675</b>	<b>1,31,96,325</b>	<b>3,60,00,000</b>	<b>100</b>	<b>2,28,03,625</b>	<b>1,31,96,375</b>	<b>3,60,00,000</b>	<b>100</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2,28,03,675</b>	<b>1,31,96,325</b>	<b>3,60,00,000</b>	<b>100</b>	<b>2,28,03,625</b>	<b>1,31,96,375</b>	<b>3,60,00,000</b>	<b>100</b>	<b>0</b>

### B) Shareholding of Promoter and parties acting in concert -

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	
1	<b>PROMOTER</b>							
	Yogendra kumar Gupta	533454	1.48	0	533454	1.48	0	0
2	<b>PARTY ACTING IN CONCERT</b>							
	Pranav Gupta	200	0	0	200	0	0	0
	<b>TOTAL</b>	<b>533654</b>	<b>1.48</b>	<b>0</b>	<b>533654</b>	<b>1.48</b>	<b>NIL</b>	<b>NIL</b>



**C) Change in Promoters' Shareholding (please specify, if there is no change):**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>PROMOTER</b>				
	Yogendra kumar Gupta				
	At the beginning of the year	533454	1.48	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	<b>NO CHANGE</b>			
	At the end of the year	533454	1.48	533454	1.48
2.	<b>PARTY ACTING IN CONCERT</b>				
	Pranav Gupta				
	At the beginning of the year	200	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	<b>NO CHANGE</b>			
	At the end of the year	200	0	200	0

**D) Shareholding Pattern of top ten Shareholders:**

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

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Viaggio Entertainment Pvt. Ltd	45,00,000	12.50	45,00,000	12.50
2.	Godavari Commercial Services Private Limited	25,10,000	6.97	25,10,000	6.97
3.	Sourabh H Bora, HUF	18,00,000	5.00	18,00,000	5.00
4.	Rakhi S Bora	17,50,000	4.86	17,50,000	4.86
5.	Lakeview Land Private Limited	17,05,000	4.74	17,05,000	4.74
6.	Aalyya Traders Private Limited	16,94,995	4.71	16,94,995	4.71
7.	Religare Finvest Limited	16,43,720	4.57	16,43,720	4.57
8.	Sourabh H Bora	16,00,000	4.44	16,00,000	4.44
9.	Indivar Traders Private Limited	14,29,000	3.97	14,29,000	3.97
10.	Westlite infraprojects private limited	8,96,361	2.49	8,96,361	2.49

**Shareholding of Directors and Key Managerial Personnel:**

SN	<i>Shareholding of each Directors and each Key Managerial Personnel</i>	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Yogendrakumar Gupta	533454	1.48	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0	0	0
	At the end of the year	533454	1.48	533454	1.48

**\*Other Directors do not hold any shares either at the beginning of the year and at the end of the year.**

**IV) INDEBTEDNESS -**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

**(Amount in Rs.)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		2,78,41,646	0	2,78,41,646
ii) Interest due but not paid		0	0	0
iii) Interest accrued but not due		0	0	0
<b>Total (i+ii+iii)</b>		2,78,41,646	0	2,78,41,646
* Addition		4,40,000	0	4,40,000
* Reduction		3,40,000	0	3,40,000
<b>Net Change</b>		1,00,000	0	1,00,000



Indebtedness at the end of the financial year				
i) Principal Amount		2,79,41,646	0	2,79,41,646
ii) Interest due but not paid		0	0	0
iii) Interest accrued but not due		0	0	0
<b>Total (i+ii+iii)</b>		2,79,41,646	0	2,79,41,646

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Yogendra kumar Gupta ( Managing Director)	Manik Dattatreya C. (Executive Director)	
1	<b>Gross salary</b>			
	(a) Salary & Bonus as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	3,00,000	3,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	<b>Stock Option</b>	0	0	0
3	<b>Sweat Equity</b>	0	0	0
4	<b>Commission</b> - as % of profit - others, specify...	0	0	0
5	<b>Others, please specify-Bonus</b>	0	25,000	25,000
	<b>Total (A)</b>	0	3,25,000	3,25,000

**B. Remuneration to other Directors:**

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	NIL	
	<b>Total (1)</b>		
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	NIL	
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		
	<b>Overall Ceiling as per the Act</b>		

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Company Secretary	Director and CFO	Total Amount (Rs.)
1.	<b>Gross Salary</b>	Jeegnesh kumar K. Devganiya	NavalKishor Shah	Manik Dattatreya C.	
(a)	Salary & Bonus as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,40,000	80,000	3,00,000	5,20,000
(b)	Value of Perquisites u/s 17(2) Income Tax Act, 1961	0	0	0	0
(c)	Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission –as % of profit-others, specify.	0	0	0	0
5.	Others, Please specify- Bonus	0	0	25,000	25,000
	<b>Total Amount (Rs.)</b>	<b>1,40,000</b>	<b>80,000</b>	<b>3,25,000</b>	<b>5,45,000</b>





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**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies	Brief description on	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made If any (give details)
<b>A. Company</b>					
Penalty Punishment Compounding					
<b>B. Directors</b>					
Penalty Punishment Compounding			<b>NIL</b>		
<b>C. Other Officers In Default</b>					
Penalty Punishment Compounding					

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

Date : 12/08/2021  
Place: Ahmedabad

**Yogendra kumar Gupta**  
Managing Director  
**DIN: 01726701**

## Annexure II

**Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March, 2021.

Sr. No.	Name of the Director	Remuneration per annum ( In Rs. )	Median Remuneration of the employees per annum ( In Rs. )	Ratio
1	Mr. Lalit Sharma	0	0	N.A.
2	Mr. Yogendra Kumar Gupta	0	0	N.A.
3	Mr. Manik Dattatreya C.	3,25,000	0	2.92:1
4	Mr. Kalpesh Trivedi	0	0	N.A.
5	Mr. Chanakya Shukla	0	0	N.A.
6	Ms. Hiralben Kubavat	0	0	N.A.

In view of the Financial Positions of the Company, Directors have foregone the Sitting Fees also.

- During the year under the review, there was no any proposal to increase the remuneration of any Director.
- The number of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2021 – 5 (Six).
- The explanation on the relationship between average increase in remuneration and company performance -

Particulars	Financial Year 2020 - 2021	Financial Year 2019 - 2020
Total revenue Amount Rs.	33,19,496	75,36,100
EBIDTA	(32,160,481)	(89,84,032)
EBIDTA as a % of total Income	-968.8363%	-119.21%
Profit / ( Loss ) before tax	(32,160,481)	(89,48,720)
PBT as a % of total Income	968.8363%	-118.74%
Net profit / ( Loss ) for the year	(32,160,481)	(89,48,720)

Increase in the remuneration of employees is in line with the current year's performance, market dynamics and global environment, keeping in view the losses the Company.

- Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.



Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

During the last three financial years, there was no increase in remuneration of Key Managerial Personnel:

Variations in the market capitalization of the company as at the closing date of the current financial year and the previous financial year:

- i. The market capitalization as on 31<sup>st</sup> March, 2021 was Rs. 97.20 lakh.
- ii. Variation in price earnings ratio as at the closing date of the current financial year and the previous financial year:

Earnings Per Shares as on 31<sup>st</sup> March, 2021 is negative i.e. – 0.89 and as on 31<sup>st</sup> March, 2020 was negative i.e. -0.25.

- iii. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Not applicable since the Company has made no public offer during the last 5 years.

No Variable component of remuneration was paid to any Director.

There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

**B. Particulars of Employee in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

There is no employee in the Company employed throughout the financial year with salary above Rs. 60 lacs per annum or employed part of the financial year with average salary above Rs. 5 lacs per month.

Further, there is no employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company.

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

Date: 12/08 /2021  
Place : Ahmedabad

**Yogendra kumar Gupta**  
Managing Director  
**DIN: 01726701**



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## Annexure III

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **STRUCTURE OF THE COMPANY**

Mahan Industries Limited is basically an 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 and / or Private companies that are traded and/or unlisted may acquire investments in the secondary market.

#### **OVERVIEW OF DEVELOPMENTS AND OPPORTUNITIES IN THE YEAR 2020 - 2021**

During the year 2020 – 2021 the Indian Government is committed to enhance growth which will benefit your Company also.

#### **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.

#### **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.

#### **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.

**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, 2013, the Accounting Standards issued by the Institute of Chartered Accountants of India, the Listing Regulations 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.

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

Date: 12/08/2021  
Place: Ahmedabad

**Yogendra kumar Gupta**  
Managing Director  
**DIN: 01726701**



## **REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31<sup>st</sup>, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

### **Company's philosophy on Corporate Governance:**

Mahan Industries Limited, recognizes the importance of Good Corporate Governance, which is the tool of building strong and everlasting beneficial relationship with customers, suppliers, bankers and more importantly with the investors. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation & integrity. 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 is in adherence to the provisions on Corporate Governance pursuant to Schedule V (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming part of Directors Report for the year ended on 31<sup>st</sup> March, 2021. The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and regulation 46 of the Listing regulations.

### **THE BOARD OF DIRECTORS GOVERNANCE STRUCTURE**

The Corporate Governance structure at Mahan Industries Limited is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As, its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

The table below provides the composition of the Board, their attendance at Board Meetings & AGM and number of directorship, chairmanship/membership of companies:

**MAHAN INDUSTRIES LIMITED**

<b>Name of the Director &amp; Designation &amp; Age</b>	<b>Category &amp; Nature of employment</b>	<b>Date of Appointment</b>	<b>No. Of Directorship held in other companies /LLPs in India</b>	<b>No. Of committees of which Member (M)/ Chairman (C) of other Companies</b>	<b>Board meeting attended</b>	<b>Attendance at the last AGM</b>	<b>No. of Shares held &amp; % holding (of the Company ) (As on 31<sup>st</sup> March, 2021)</b>
Mr. Yogendra Kumar Gupta cum Managing Director 64 Years	Executive Promoter Managing Director	02/01/1995	NIL	NIL	5	Yes	533454 (1.48%)
Mr. Dattatreya C.Manik Director 51 Years	Executive Director Non Promoter	31/12/2003	NIL	NIL	4	Yes	NIL
Mr. Lalit Sharma 63 Years	Non-Executive Independent Director	31/12/1997	NIL	NIL	1	No	NIL
Mr. Kalpesh Trivedi 61 Years	Non-Executive Independent Director	23/02/2006	NIL	NIL	5	No	NIL
Mr. Chanakya Shukla 43 Years	Non-Executive Independent Director	30/12/2005	NIL	NIL	5	No	NIL
*Mrs. HiralbenKubavat 43 Years	Non-Executive Independent Director	07/04/2015	NIL	NIL	1	No	NIL

**Notes:**

Disclosure of Chairmanship & Membership includes membership of Audit and Stakeholder Relationship Committees in other Public Limited Companies.

Other directorships do not include alternate directorship, directorship of Private Limited Companies, Section 8 Companies of the Companies Act, 2013 and Foreign Companies. None of the Directors of Board is a member of more than ten Committees and no Director is Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.





None of the Independent Director of the Company is holding position of Independent Director in more than 7 Listed Company. Further, none of the Director of the Company serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 7 Listed Company.

None of the Non-executive Directors has any pecuniary relationship, with other Directors of the Company. Non-executive Directors have no transaction with the Company. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

### **Board Meetings**

The meetings of Board of Directors were held at the Registered Office of the Company. The functions performed by the Board include review of Minutes of Audit Committee Meetings and other Committees of the Board, adoption of financial results of the Company and review of Company's Operation & Performance. The Board meets at least once in a quarter to review the quarterly performance and financial results of the Company. The maximum interval between any two meetings did not exceed 120 days. The agenda papers along with notes and other supporting documents were generally circulated in advance of the Board Meeting with sufficient information as required.

**The Board met Five times during the financial year 2020-21 as on the following dates:**

<b>Sr. No.</b>	<b>Date of Meeting</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1.	28/07/2020	6	4
2.	13/08/2020	6	4
3.	25/08/2020	6	4
4.	06/11/2020	6	5
5.	11/02/2021	6	4

### **Information placed before the Board:**

The Company provides the information as set out in Regulation 17 (7) read with Part A of Schedule - II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

### **Post Meeting Mechanism:**

The important decisions taken at the Board Committee Meetings are communicated to the concerned department/ division. Company Secretary support the Board to attend the Board Meetings and advises the Board on Compliances with applicable laws and governance.

**Roles, Responsibilities and Duties of the Board:**

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV under sub. Section (8) of Section 149 of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

**Number of Independent Directorships:**

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director/WTD of the Company does not serve as an Independent Director in more than seven listed entity.

**Meeting of Independent Directors**

The Company's Independent Directors meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non-Independent Directors and Board as whole according to Reg. 25 (3) of SEBI (LODR), 2015 and Sub.Section (8) of Section 149 of the Companies Act, 2013 & Schedule IV (CODE FOR INDEPENDENT DIRECTORS) to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of the non independent directors and members of the management. During the year, One meeting of independent directors held on 5<sup>th</sup> February, 2020. Mr. Lalit Sharma was unanimously elected as the Chairman of the Meeting of the Independent Directors. The Independent Director meeting attended by Mr. Lalit Sharma, Mr. Chanakya Shukla and Mr. Kalpesh Trivedi. At the meetings, the Independent Directors reviewed the performance of the non-independent directors (including the chairperson) and the Board as a whole and assessed 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.

The Company has devised the Policy on Familiarization Programme for Independent Director and the same is available on the website of the Company i.e. [www.mahan.co.in](http://www.mahan.co.in)

**Familiarization Programme:**

The Company has a detailed familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company etc. The details of such programme are available on the website of the Company.

The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.



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## **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 roles & responsibilities in a better manner. In compliance with the mandatory requirements under the Listing Regulations, and the applicable laws, the Board has constituted the following committees.

**The Board has constituted III Committees namely;**

- ▽ **Audit Committee**
- ▽ **Stakeholder Relationship Committee**
- ▽ **Nomination and Remuneration Committee**

### **I. Audit Committee :**

In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate.

Broad Terms of Reference of the Audit Committee

The Audit Committee of the Company comprises of Mr. Kalpesh Trivedi (Chairman), Mr. Lalit Sharma and Mr. Yogendra Kumar Gupta as other members of the Committee.

The role of the Audit Committee of the Company are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter-alia, include the following:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 6. 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 purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - 8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  - 9. Scrutiny of inter-corporate loans and investments;
  - 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - 11. Evaluation of internal financial controls and risk management systems;
  - 12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - 13. Reviewing the adequacy of internal audit function, if any, 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;



14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Committee.

Attendance of the Members in the Audit Committee Meetings:

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 Executive Independent Director	4
Mr. Lalit Sharma	Member	Non Executive Independent Director	4
Mr. Yogendra Kumar Gupta	Member	Executive Director	4

The Committee met four times during the year ended 31<sup>st</sup> March, 2021 i.e. on 28<sup>th</sup> July, 2020, 13<sup>th</sup> August, 2020, 06<sup>th</sup> November, 2020, and 11<sup>th</sup> February, 2021, and the time gap between the two meetings did not exceed 120 days. The necessary quorum was present for all the meeting. The Company has accepted all the recommendations of the audit committee.

The members of the committee are having financial and accounting knowledge. The committee carries out functions enumerated in the listing Regulations 18 of SEBI (LODR), 2015 and Section 177 of the Companies Act, 2013.

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 Board Meeting.

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

#### ▽ **Stakeholder Relationship Committee:**

Pursuant to provision of Section 178 of the Companies Act, 2013 the Company has constituted Stakeholders Relationship Committee deals with the following matters:

1. Noting Transfer/ Transmission of Shares, non receipt of dividend and annual reports.
2. Review of dematerialised/rematerialised shares and all other related matters.
3. Monitors expeditious redressal of Investor Grievance Matters received from Investors, Stock Exchange, SEBI, ROC etc.
4. All other matters related to shares.

#### **Composition and Category of Directors:**

<b>Name of Committee Member</b>	<b>Designation in Committee</b>	<b>Category</b>
Mr. Lalit Sharma	Chairman	Non Executive Independent Director
Mr. Kalpesh Trivedi	Member	Non Executive Independent Director
Mr. Manik Dattatrey C.	Member	Executive Director

#### **Stakeholder Relationship Committee Meetings Held:**

In the financial year 2020-2021, the Committee met one time on 11<sup>th</sup> of February, 2021. The attendance of each Member at the said Meetings is stated below:

<b>Name of Committee Member</b>	<b>No. of meetings attended</b>
Mr. Lalit Sharma	1
Mr. Kalpesh Trivedi	1
Mr. Manik Dattatrey C.	1

The Stakeholder Relationship Committee generally meets as and when required (at least once in year), 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.



## **II. Nomination and Remuneration Committee:**

Pursuant to the provision of Section 178 of the Companies Act, 2013 and of Regulation 19 of SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 the Company has constituted a Nomination and Remuneration Committee.

It also identifies the persons who are qualified to become Directors and who may be appointed senior management. It also recommends to the Board for their appointment and removal and evaluate their performance. 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 Nomination and 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 and Category of Directors:**

The Remuneration Committee comprises of 3 Non-Executive Independent Directors.

<b>Name of Committee Member</b>	<b>Designation in Committee</b>	<b>Category</b>
Mr. Kalpesh Trivedi	Chairman	Non Executive Independent Director
Mr. Lalit Sharma	Member	Non Executive Independent Director
Mr. Chanakya Shukla	Member	Non Executive Independent Director

In the financial year 2020-2021, the Committee met One times on 25<sup>th</sup> August, 2021. The attendance of each Member at the said Meetings is stated below:

<b>Name of Committee Member</b>	<b>No. of meetings attended</b>
Mr. Lalit Sharma	1
Mr. Kalpesh Trivedi	1
Mr. Manik Dattatrey C.	1

During the year there was no proposal to increase the remuneration of any Director.

During the year the Company has paid gross remuneration of Rs. 3,00,000/- to Mr. ManikDattatrey C.

**AFFIRMATIONS AND DISCLOSURES:**

▽ **Compliances with Governance Framework:**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

▽ **Related party transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. [www.mahan.co.in](http://www.mahan.co.in).

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

▽ **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 except following:

- a) The Company has not appointed a qualified Company Secretary as the compliance officer from the period 4<sup>th</sup> September, 2019 to 13th February, 2020. However, as per Section 203(4) of Companies Act, 2013, this does not amount to non-compliance as the vacancy was filled-up within a period of six months.
- b) The BSE has revoked its interim order dated 14/03/2018 imposing restrictions on the promoters and directors of the Company earlier, i.e. promoters and directors be permitted only to buy the securities of the company and that, they shall not sell their existing holding in the Company.





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Thus restoring the status of company as it was prior to 7th August 2017

▽ **Vigil Mechanism & Whistle Blower Policy**

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. No personnel of the Company have been denied access to the Audit Committee. The said Policy is available on the website of the Company.

▽ **Disclosure of Accounting Treatment:**

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

▽ **Risk Management Policy:**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventories and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section. The Risk Management Policy is also available on the Company's website. i.e. [www.mahan.co.in](http://www.mahan.co.in).

▽ **Commodity price risk and Commodity hedging activities:**

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

▽ **Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32 (7A).**N.A.

- ▽ **A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed herewith as a part of the Report.

- ▽ **Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant Financial Year.**

N.A.

- ▽ **Total fees for all services paid by the Listed Entity and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in note to the Standalone Financial Statements.

- ▽ **Mandatory Requirements :**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

- ▽ **Non-mandatory requirements:**

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to time.

#### **DETAILS OF ADOPTION OF NON-MANDATORY (DISCRETIONARY) REQUIREMENTS:**

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations

The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- ▽ **The Board:**

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.



## ▽ Shareholder's Rights :

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

## ▽ Reporting of Internal Auditor:

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

## **GENERAL BODY MEETINGS:**

### **1. GENERAL MEETING**

#### **a) Annual General Meeting held in last three years:**

<b>Financial Year</b>	<b>Day and Date</b>	<b>Type</b>	<b>Time</b>	<b>Location</b>
2017-2018	Friday, 7 <sup>th</sup> September, 2018	AGM	10.00 a.m.	3rd Floor, D.K. House, Near. Mithakhali Underbridge, Ellisbridge, Navrangpura, Ahmedabad-380006
2018-2019	Saturday, 31 <sup>st</sup> August, 2019	AGM	10.00 a.m.	
2019-2020	Wednesday, 30 <sup>th</sup> September, 2020	AGM	11.00 a.m.	

#### **b) Extraordinary General Meeting**

- No Extra Ordinary General meeting was held during the year 2018 – 2019.
- No Extra Ordinary General meeting was held during the year 2019 – 2020.
- No Extra Ordinary General meeting was held during the year 2020 – 2021.

### **2. Details of the Special Resolutions passed during the last three AGMs:**

- No Special Resolution is passed during the last three AGMs.

### 3. 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.

### ▽ Annual General Meeting:

<b>Day and Date</b>	<b>21<sup>th</sup> September, 2021.</b>
<b>Time</b>	11:00 A.M.
<b>VENUE</b>	The Company is conducting meeting through VC/OAVM pursuant to the MCA circular dated 5th May, 2020. For instructions to attend the AGM through VC/OAVM, please refer to the Notice of 27 <sup>th</sup> AGM.
<b>Financial Year</b>	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021(12 Months)
<b>Book Closure Dates</b>	14 <sup>nd</sup> September, 2021 to 21 <sup>th</sup> September, 2021 (both the days inclusive).
<b>Listing on Stock Exchange</b>	<b>BSE Limited</b>
<b>Stock Code &amp; Demat ISIN No.</b>	Scrip code: 531515 ISIN: INE735D01033
<b>Registrar and Transfer Agents</b>	<b>Adroit Corporate Services Pvt. Ltd.</b> 19/20, Jaferbhay Industrial Estate 1st Floor, Makwana Road, Marol Naka, Andheri(E) Mumbai-400059
<b>Address for Correspondence</b>	<b>Mahan Industries Ltd.</b> 3rd Floor, D.K. House, Near. Mithakhali Underbridge, Ellisbridge, Navrangpura, Ahmedabad-380006.
<b>Whether Management Discussion and Analysis Report is a part of Corporate Governance Report</b>	Yes
<b>Compliance Officer</b>	Mr. Jeegneshkumar K. Devganiya
<b>Plant Locations</b>	Not Applicable
<b>Any presentation made to the institutional investor and analyst</b>	No
<b>Is half yearly report sent to the shareholders</b>	No

### ▽ Financial Calendar

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



<b>FINANCIAL REPORTING FOR THE YEAR 2020-21</b>	<b>DATE OF BOARD MEETING</b>
Financial Reporting for the quarter ending 30/06/2020	13/08/2020
Financial Reporting for the quarter ending 30/09/2020	06/11/2020
Financial Reporting for the quarter ending 31/12/2020	11/02/2021
Financial Reporting for the quarter ending 31/03/2021	28/06/2021

### **Tentative Calendar for Financial Year ending March 31, 2022:**

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

<b>Sr. No.</b>	<b>Particulars of Quarter</b>	<b>Tentative dates</b>
1.	First Quarter Results	On or before the Second week of August, 2021.
2.	Second Quarter & Half Yearly Results	On or before the Second week of November, 2021.
3.	Third Quarter & Nine-months ended Results	On or before the Second week of February, 2022
4.	Fourth Quarter & Annual Results	On or before the last week of May, 2022

### **MARKET INFORMATION :**

#### **▽ Monthly high and low price Data of the Company on BSE in comparison with BSE Sensex for the period commencing from 1<sup>st</sup>April, 2020 to 31<sup>st</sup>March, 2021.**

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

Month and Year	Share Price of the Company		No. of Shares of Company traded	BSE SENSEX	
	High	Low		High	Low
April, 2020	0.21	0.19	2,050	33,887.25	27,500.79
May, 2020	0.19	0.19	5,12,152	32,845.48	29,968.45
June, 2020	0.22	0.19	2,01,387	35,706.55	32,348.10
July, 2020	0.26	0.20	37,682	38,617.03	34,927.20

**MAHAN INDUSTRIES LIMITED**


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August, 2020	0.20	0.19	14,006	40,010.17	36,911.23
September, 2020	0.22	0.19	10,208	39,359.51	36,495.98
October, 2020	0.28	0.22	8,575	41,048.05	38,410.20
November, 2020	0.27	0.27	150	44,825.37	39,334.92
December, 2020	0.28	0.21	34,495	47,896.97	44,118.10
January, 2021	0.30	0.19	14,70,392	50,184.01	46,160.46
February, 2021	0.32	0.23	5,90,454	52,516.76	46,433.65
March, 2021	0.27	0.19	2,85,239	51,821.84	48,236.35

**▽ Distribution of the Shareholding as on 31<sup>st</sup> March, 2021**

<b>Nominal Values</b>	<b>Shareholders</b>	<b>Percentage</b>	<b>Total Shares</b>	<b>Amount</b>	<b>Percentage</b>
Up to 100	1383	32.79	90447	904470.00	0.25
101- 500	1058	25.08	326244	3262440.00	0.91
501- 1000	521	12.35	444760	4447600.00	1.24
1001 - 2000	345	8.18	542856	5428560.00	1.51
2001 - 3000	215	5.10	554944	5549440.00	1.54
3001- 4000	103	2.44	375151	3751510.00	1.04
4001 – 5000	155	3.67	748738	7487380.00	2.08
5001 - 10000	199	4.72	1559287	15592870.00	4.33
10001 - 20000	112	2.66	1717692	17176920.00	4.77
20001 – 50000	59	1.40	1862725	18627250.00	5.17
50001 & Above	68	1.61	27777156	277771560.00	77.16
<b>Total</b>	<b>4218</b>	<b>100</b>	<b>36000000</b>	<b>360000000</b>	<b>100</b>



#### ▽ **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 and as ammended from time to time.

#### ▽ **Physical and Demat Shares as on 31<sup>st</sup> March, 2021**

Particulars	No. of Shareholders	No. of Shares	%
CDSL	2058	1,49,93,151	41.65
NSDL	1696	78,10,474	21.70
Physical	464	1,31,96,375	36.66
<b>Total</b>	<b>4218</b>	<b>3,60,00,000</b>	<b>100</b>

#### ▽ **CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING:**

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

#### ▽ **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

#### ▽ **COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them as and when required.

#### ▽ **MEANS OF COMMUNICATION TO SHAREHOLDERS:**

The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the every quarter. The audited annual results are announced within

sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

The approved financial results are forthwith sent to the Stock Exchanges and are published in English newspaper and Regional language (Gujarati) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

The Company's financial results and official press releases are displayed on the Company's Website- [www.mahan.co.in](http://www.mahan.co.in).

Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. Bombay Stock Exchange (BSE) are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholders can lodge their complaints against a company for their grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

#### ▽ **SHARE TRANSFEROR TRANSMISSION OR TRANSPOSITION SYSTEM:**

According to the Regulation 40 of SEBI (LODR) Regulations, 2015, the transfer of shares in physical form required to process and complete by Registrar & Transfer Agent within a period of seven days (in case of D-mate) from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

During the year the company has not received any request regarding the Share Transfer or Transmission or Transposition.





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▽ **Nomination:**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

▽ **Address for Correspondence:**

Mahan Industries Limited  
Mr. Jeegneshkumar K. Devganiya (Company Secretary)  
Address: 3rd Floor D.K. House,  
Mithakhali Under Bridge,  
Ahmedabad 380006  
Contact No. 079 – 26568789  
Email address: [mahan.int@gmail.com](mailto:mahan.int@gmail.com)

**DECLARATION :**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Board Members and Senior Management Personnel have affirmed the compliance with the Code of Business Conduct and Ethics for the year ended March 31, 2021.

For and on behalf of Board of Directors of  
**Mahan Industries Limited**

Date : 12/08/2021  
Place: Ahmedabad

**Yogendrakumar Gupta**  
Managing Director  
**DIN:01726701**

**AUDITORS' CERTIFICATE FOR CORPORATE GOVERNANCE**

(Pursuant to Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,  
The Members of  
Mahan Industries Limited  
(CIN: L91110GJ1995PLC024053)**

We have examined the compliance of conditions of Corporate Governance by **Mahan Industries Limited** ('the company') for the year ended 31<sup>st</sup> March, 2021 as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015')

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said SEBI Listing Regulations, 2015. 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 and based on the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that as at 31<sup>st</sup> March, 2021, no investor grievance was pending for a period of one month against the Company as per the records maintained by the Company and presented to Stakeholders Relationship Committee.

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

**For, Roopen R Shah & Co.  
Chartered Accountant  
Firm Reg no: 119869W**

**Roopen R Shah  
Proprietor  
Membership no: 107279  
UDIN:21107279AAAABU3361  
Place; Ahmedabad  
Date: 12/08/2021**



## **CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

[Pursuant to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

As submitted by the Directors of **MAHAN INDUSTRIES LIMITED** bearing CIN: **L91110GJ1995PLC024053** and having its registered office at D K House, 3<sup>rd</sup> Floor, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad-380006, Gujarat, India, to the Board of Directors of the Company ('the Board') for the **Financial Year 2020-21**. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority:

<b>Sr. No</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>
1	Mr. Kalpesh Lalitbhai Trivedi	00116441
2	Mr. Lalit Kajorimal Sharma	01552487
3	Mr. Yogendrakumar Prabhudayal Gupta	01726701
4	Late Mr. Manik Chandrakant Dattatrey	01825572
5	Mr. Chanakya Indravadan Shukla	02475734
6	Ms. Hiralben Pravinkumar Kubavat	07151116

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31<sup>st</sup> March, 2021.

**Date: 12/08/2021**  
**Place: Ahmedabad**

**For Gaudana & Gaudana**  
(Company Secretaries)

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**CS Arvind Gaudana**  
**Senior Partner**  
**FCS No: 2838, C.P. No: 2183**  
**UDIN: F002838C000757482**

**CEO / CFO CERTIFICATION**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Mahan Industries Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
  - 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. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Mahan Industries Limited**

**For Mahan Industries Limited**

**Yogendra kumar Gupta**  
**(Managing Director)**

**Date: 12/08/2021**

**Place: Ahmedabad**

**Sunil Gurnani.**  
**(Chief Financial Officer)**



ANNEXURE V

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

For the financial year ended on 31/03/2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**  
**The Members,**  
**Mahan Industries Limited**  
**(CIN: L91110GJ1995PLC024053)**  
D K House 3rd floor,  
Nr.Mitha-Khali UnderBridge,  
Navrangpura,Ahmedabad-380006.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahan Industries Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Mahan Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup>March, 2021 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made there under;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 -Not applicable to the Company during the audit period;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not applicable to the Company during the audit period;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -Not applicable to the Company during the audit period;
- The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 -Not applicable to the Company during the audit period;

**And in general, the Company has systems, process and procedure for the compliance of Other Laws Applicable to the Company namely:**

a) Non-Banking Finance Companies Regulations, 2008.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- The status of Company is “Suspected Shell Company” as per records of the Stock Exchange. However, the Company has provided all the necessary information and documents to the Stock Exchange and is in continuous communication with Stock Exchange for removal of the status of “Suspected Shell Company”.
- There was a delay in payment of Annual Listing Fees (“ALF”) to BSE for F.Y. 2020-21 by Company to BSE Limited as per Regulation 14 of SEBI (LODR) Regulations, 2015.



We further report that the Board of Directors of the Company is duly constituted, subject to the above fact with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

The Company has issued adequate notice to all the directors to schedule the Board Meetings, Agenda and Detailed Notes on agenda in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** no audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the company and their observations, if any, shall hold good for the purpose of this audit report.

**Place: Ahmedabad**

**Date: 13.08.2021**

**For Gaudana & Gaudana  
(Company Secretaries)**

**CS Arvind Gaudana  
FCS No: 2838C.P No: 2183  
UDIN: F002838C000772827**

*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.*

**‘Annexure A’**

**To,**  
**The Members,**  
**Mahan Industries Limited**  
**(CIN: L91110GJ1995PLC024053)**  
D K House 3rd floor,  
Nr.Mitha-Khali UnderBridge,  
Navrangpura,Ahmedabad-380006.

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

16. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
17. We have followed the audit practices and processes as were appropriated to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
18. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
19. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
20. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
21. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
22. Audit of the compliance with other laws has been undertaken based on the scope of audit and the applicability of such laws as ascertained by the company and informed us.
23. We have relied on reports of Internal Audit, Regulatory Inspection/Audit to the extent made available to us and the observations, if any, contained in such reports shall hold well for the purpose of this audit report. Minor operational deviationsthat does not amounts to breach of non-compliances for which penalties (if any, ) have been levied by the stock exchanges/depositories have not been treated as violation of any of the regulations, the compliance which ,have been subject to audit.

**Place: Ahmedabad**  
**Date: 13.08.2021**

**For Gaudana & Gaudana**  
**(Company Secretaries)**

**CS ArvindGaudana**  
**FCS No: 2838C.P No: 2183**  
**UDIN: F002838C000772827**



MAHAN INDUSTRIES LIMITED Regd. Office : 3rd Floor, D.K. House, Nr. Mithakhali Underbridge, Ahmedabad-380006 Ph. : 079-26568789, Email ID: mahan.int@gmail.com Web: www.mahan.co.in CIN: L91110GJ11995PLC024053			
BALANCE SHEET AS AT 31ST MARCH, 2021			
Particulars	Note No.	As at 31st March,	
		2021	2020
<b>ASSETS</b>			
<b>A Financial Assets</b>			
(a) Cash and Cash Equivalents	1	492,462	171,716
(b) Bank balances other than cash and cash equivalents			
(c) Receivables			
(i) Trade receivables	2	44,077,500	12,634,420
(ii) Other receivables			
(d) Loans	3	14,121	45,981,615
(e) Investments	4	14,204,233	32,773,291
(f) Inventories	5	806,594	351,494
<b>Total financial assets</b>		59,594,910	91,912,536
<b>B Non Financial Assets</b>			
(a) Current tax asset (net)		-	-
(b) Deferred tax assets (net)		-	-
(c) Property, Plant and Equipment	6	648,336	667,108
(d) Intangible assets		-	-
(e) Other non financial assets	7	801,005	694,270
<b>Total non financial assets</b>		1,449,341	1,361,378
<b>Total Assets (A+B)</b>		<b>61,044,251</b>	<b>93,273,914</b>
<b>LIABILITIES AND EQUITY</b>			
<b>C Liabilities</b>			
<b>(I) Financial liabilities</b>			
(a) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		143,751	57,372
(ii) Other payables			
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	27,941,646	27,841,646
(b) Debt securities		-	-
(c) Borrowings		-	-
(d) Other financial liabilities		-	-
<b>Total financial liabilities</b>		28,085,396	27,899,018
<b>(II) Non Financial liabilities</b>			
(a) Current tax liabilities (net)		-	-
(b) Provisions		-	-
(c) Other non financial liabilities	9	122,220	377,780
<b>Total non financial liabilities</b>		122,220	377,780
<b>D Equity</b>			
(a) Equity Share Capital	10	360,000,000	360,000,000
(b) Other Equity	11	(327,163,365)	(295,002,884)
<b>Total Liabilities and Equity (C+D)</b>		<b>61,044,251</b>	<b>93,273,914</b>
See Accompanying notes to the financial statements			
As per our report of even date attached		For Mahan Industries Limited	
For, Roopen R Shah & Co.			
Chartered Accountants			
ICAI Firm Reg. No. 119869W			
		Director	Managing Director
		Lailt Sharma	Yogendrakumar Gupta
		DIN: 07151116	DIN :01726701
<b>CA ROOPEN R SHAH</b>		Chief Financial Officer	
<b>Proprietor</b>		Sunil Gurnani	
<b>Membership No. 107279</b>		PAN: AJNPG3441M	
<b>Place : Ahmedabad</b>		Place : Ahmedabad	
<b>Date : 28/06/2021</b>		Date : 28/06/2021	

MAHAN INDUSTRIES LIMITED				
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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021				
₹				
Sr. No.	Particulars	Note No.	For the Year ended 31st March,	
			2021	2020
	<b>Revenue from operation</b>			
I	Interest income		-	-
II	Fees and commission income		-	-
III	Sale		3,321,356	6,833,742
IV	Dividend income		-	1,725
	Profit On Sale of Unquoted Investment		-	43,315
	<b>Total revenue from operations (I + II+III)</b>		<b>3,321,356</b>	<b>6,878,782</b>
	<b>Other income</b>	<b>12</b>	(1,860)	657,319
	<b>Total income (I+II+III+IV)</b>		<b>3,319,496</b>	<b>7,536,100</b>
	<b>Expenses</b>			
V	Finance cost	<b>13</b>	10,205	16,539
VI	Employee benefit expense	<b>14</b>	1,579,745	1,370,990
VII	Depreciation and amortisation expenses	<b>6</b>	18,773	18,773
VIII	Purchase of stock / Share	<b>15</b>	3,609,396	3,072,344
IX	Changes in inventories	<b>16</b>	(455,101)	2,893,688
X	Other Expenses	<b>17</b>	1,134,618	969,521
XI	Diminution (Gain) in Value of unquoted investments		18,569,058	6,989,115
XII	Diminution (Gain) in Value of Long term Investments		-	-
	Bad debts & Loan Written off		10,937,837	592500
XIII	Income Tax Exp earlier years paid written off/STT/MAT Written off/		75,447	561351
XIV	<b>Total expenses (IV)</b>		<b>35,479,978</b>	<b>16,484,821</b>
	<b>Profit before tax for continuing operations</b>		<b>(32,160,481)</b>	<b>(8,948,721)</b>
XV	<b>Tax expense:</b>			
	(1) Current Tax		-	-
	(2) Deferred tax		-	-
	<b>Profit After Tax (V-VI)</b>		<b>(32,160,481)</b>	<b>(8,948,721)</b>
XVI	<b>Other Comprehensive Income</b>			
-	Items that will not be reclassified to profit or loss:		-	-
	Remeasurement gains/loss		-	-
-	Items that will be reclassified to profit or loss:		-	-
	Changes in fair value		-	-
XV	<b>Total Comprehensive Income for the Year</b>		<b>(32,160,481)</b>	<b>(8,948,721)</b>
XVI	Earnings per equity share: (nominal value of share ₹ 10/-)			
	(1) Basic		(0.89)	(0.25)
	(2) Diluted		(0.89)	(0.25)
See Accompanying notes to the financial statements				
As per our report of even date attached			For Mahan Industries Limited	
For, Roopen R Shah & Co.				
Chartered Accountants				
ICAI Firm Reg. No. 119869W				
			Director	Managing Director
			Lalit Sharma	Yogendrakumar Gupta
			DIN:07151116	DIN:01726701
<b>CA ROOPEN R SHAH</b>			Chief Financial Officer	
<b>Proprietor</b>			Sunil Gurnani	
Membership No. 107279			PAN: AJNPG3441M	
Place : Ahmedabad			Place : Ahmedabad	
Date : 28/06/2021			Date : 28/06/2021	

## Statement of Changes in Equity For the year ended 31st March, 2021

### Statement of Changes in Equity

Equity Share Capital	NUMBERS	"₹"
As at March 31 ,2019	36,000,000	360000000
Issue of equity Shares		
As at Marchr 31 ,2020	36,000,000	360000000

### Reconciliation of Other Equity as at 31st March 2021

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the reporting period	9,000,000.00	-		(304,002,884)	-	-	-	-	(295,002,884)
Depreciation transferred (to)/from Revaluation Reserve	-	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-	-
Loss on Mark to Market of Hedging Instruments designated and effective as Hedges of Future Cash Flow	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	(32,160,481)	-	-	-	-	(32,160,481)
Balance at the end of the reporting period	9,000,000.00	-	-	(336,163,365)	-	-	-	-	(327,163,365)

### Reconciliation of Other Equity as at 31st March 2019

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the reporting period	9,000,000.00	-		(295,054,163)	-	-	-	-	(286,054,163)
Depreciation transferred (to)/from Revaluation Reserve	-	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-	-
Loss on Mark to Market of Hedging Instruments designated and effective as Hedges of Future Cash Flow	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	(8,948,721)	-	-	-	-	(8,948,721)
Balance at the end of the reporting period	9,000,000.00	-	-	(304,002,884)	-	-	-	-	(295,002,884)

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Statement of Cash Flow the year ended on 31st March, 2021			
Sr. No.	Particulars	For the Year ended 31st March,	
		2021	2020
1	<b>Cash flow from Operating Activities</b>		
	Profit Before Tax as per statement of Profit & Loss	(32,160,481)	(8,948,720)
	<b>Adjusted for:</b>		
	Depreciation and amortization expenses	18,773	18,773
	Non Cash Expenditure	-	-
	Net Gain/ Loss on Valuation of Investment [FVTPL]	-	6,989,115
	<b>Sub-total (a)</b>	<b>(32,141,708)</b>	<b>(1,940,832)</b>
	<b>Changes in Working Capital</b>		
	<b>(Increase)/Decrease in Current Assets</b>		
	Trade Receivables	(31,443,080)	(457,540)
	Inventory	(455,100)	2,893,688
	Other Current Assets	45,967,493	464,221
	<b>Sub-Total (b)</b>	<b>14,069,313</b>	<b>2,900,369</b>
	<b>Increase/ (Decrease) in Current Liabilities</b>		
	Trade Payables	86,379	(241,979)
	Provisions	(252,280)	169,030
	Other current liabilities	(3,280)	(32,280)
	<b>Sub-Total (c)</b>	<b>(169,181)</b>	<b>(105,229)</b>
	<b>Changes in Working Capital (d=b-c)</b>	<b>13,900,132</b>	<b>2,795,139</b>
	<b>Cash flow from operating activities (a+d)</b>	<b>(18,241,576)</b>	<b>854,307</b>
2	<b>Cash flow from Investing Activities</b>		
	Decrease in Current Investment	-	1,280,065
	Increase/Decrease in non current assets	(106,735)	3,818,644
	<b>Cash flow from Investing Activities</b>	<b>(106,735)</b>	<b>5,098,709</b>
3	<b>Cash flow from Financing Activities</b>		
	Proceeds/(Repayment) of short-Term Borrowings	100,000	(6,002,907)
	<b>Cash flow from Financing Activities</b>	<b>100,000</b>	<b>(6,002,907)</b>
	<b>Cash in/(out) flow during the period (4=1+2+3)</b>	<b>(18,248,311)</b>	<b>(49,891)</b>
	Opg. Balance of Cash & cash equivalents (5)	171,716	221,607
	Clg. balance of Cash and cash equivalents (4+5)	(18,076,595)	171,716
	Adjustment for gain / loss on fair valuation of current financial assets measured at FVTPL	18,569,057	6,989,115
		492,462	7,160,831
<b>See accompanying notes to the financial statements</b> <b>As per our report of even date attached</b> <b>Note:</b> 1 Cash flow statement has been prepared under the indirect method as set out in Ind AS-7 on Cash flow statement. <b>For, Roopen R Shah &amp; Co.  </b> <b>Chartered Accountants</b> <b>ICAI Firm Reg. No. 119869W</b>  <b>For Mahan Industries Limited</b>  Director Lailt Sharma DIN: 07151116  Managing Director Yogendrakumar Gupta DIN :01726701  CA. Roopen R Shah Proprietor Membership No. 107279 Place : Ahmedabad Date : 28/06/2021  Chief Financial Officer Sunil Gurnani PAN: AJNPG3441M Place : Ahmedabad Date : 28/06/2021			



**Note 1****Cash and cash equivalents**

"₹"

Particulars	(₹) As at 31st March,	
	2021	2020
Cash on Hand	153,897	103,707
Balance with Banks in current account	338,565	68,010
<b>Total</b>	<b>492,462</b>	<b>171,716</b>

**Note 2****Trade Receivables (Unsecured and considered Good)**

"₹"

Particulars	(₹) As at 31st March,	
	2021	2020
Trade Receivables (Unsecured and considered Good)	44,077,500	12,634,420
<b>Total</b>	<b>44,077,500</b>	<b>12,634,420</b>

**Note 3****Loans**

"₹"

Particulars	(₹) As at 31st March,	
	2021	2020
<b>Advances other than capital Advances</b>		
Deposits (Unsecured and considered Good)	14,121	14,121
Other Advances (Unsecured and considered Good)	-	45,967,494
<b>Total</b>	<b>14,121</b>	<b>45,981,615</b>

**Note 4****Investments (Non-Current)**

"₹"

Particulars	No. of Shares/Units		(₹) As at 31st March,	
	2020	2019	2021	2020
<b>Unquoted investments</b>				
<b>Equity shares of,</b>				
Kalyan Toll Highways Pvt Ltd	1406330	1406330	14203933	14203933
RCM Infrastructure Limited	0	535290	0	18569058
DK Association	3	3	300	300
<b>Total</b>			<b>14,204,233</b>	<b>32,773,291</b>

Investment In RCM Written of as in MCLT Insolvency

18,569,058

**Note 5****Inventories**

"₹"

Particulars	(₹) As at 31st March,	
	2021	2020
Inventory of shares	806,594	351,494
<b>Total</b>	<b>806,594</b>	<b>351,494</b>

# Note : Refer Note No 15 in notes to accounts

**Note 7****Other non financial assets**

"₹"

Particulars	(₹) As at 31st March,	
	2021	2020
Advances to staff	67,304	82,304
Balance with government authorities	733,701	611,966
<b>Total</b>	<b>801,005</b>	<b>694,270</b>

**MAHAN INDUSTRIES LIMITED**

**Note 6**  
**Property, Plant & Equipments**

**A Reconciliation of Carrying Amount for the year ended on March 31, 2021**

"₹"

Particulars	Software	Office Building	Plant & Equipment	Computer Equipment	Furniture & fixtures	Office Equipments	Total
<b>Gross Carrying Value as on April 1, 2020</b>	16,102	954,322	38,300	834,820	504,436	235,488	2,583,468
Additions during the year	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-
<b>Gross Carrying Value as on March 31, 2021</b>	16,102	954,322	38,300	834,820	504,436	235,488	2,583,468
<b>Accumulated depreciation as on April 1, 2020</b>	4,025	361,175	36,382	793,079	479,213	223,713	1,897,587
Depreciation for the year	4,025	14,748	-	-	-	-	18,773
Adjustments during the year							
<b>Accumulated depreciation as on March 31, 2021</b>	8,050	375,923	36,382	793,079	479,213	223,713	1,916,360
<b>Net Carrying Value as on March 31, 2021</b>	8,052	578,399	1,918	41,741	25,223	11,775	667,108

**B Reconciliation of Carrying Amount for the year ended on March 31, 2020**

"₹"

Particulars	Software	Office Building	Plant & Equipment	Computer Equipment	Furniture & fixtures	Office Equipments	Total
<b>Gross Carrying Value as on April 1, 2019</b>	16,102	954,322	38,300	834,820	504,436	235,488	2,583,468
Additions during the year	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-
<b>Gross Carrying Value as on March 31, 2020</b>	16,102	954,322	38,300	834,820	504,436	235,488	2,583,468
<b>Accumulated depreciation as on April 1, 2019</b>	4,025	361,175	36,382	793,079	479,213	223,713	1,897,587
Depreciation for the year	4,025	14,748	-	-	-	-	18,773
Adjustments during the year							
<b>Accumulated depreciation as on March 31, 2020</b>	8,050	375,923	36,382	793,079	479,213	223,713	1,916,360
<b>Net Carrying Value as on March 31, 2020</b>	8,052	578,399	1,918	41,741	25,223	11,775	667,108

The Company has elected to continue with the carrying value of all its Property, Plant and Equipment and other intangible assets as recognized in the financial statement as at the date of transition to Ind As, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

**Note 8****Other Payables**

"₹"

Particulars	As at 31st March,	
	2021	2020
Unsecured Loan from Related Party repayable on demand	27,941,646	27,841,646
<b>Total</b>	<b>27,941,646</b>	<b>27,841,646</b>

**Note 9****Other non financial Liabilities**

"₹"

Particulars	As at 31st March,	
	2021	2020
Other Payables	116,500	119,780
Provision for employee benefits	5,720	258,000
<b>Total</b>	<b>122,220</b>	<b>377,780</b>

**Note 11****Other Equity**

"₹"

Particulars	Reserves & Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at 01/04/2019	9,000,000	(295,054,163)	(286,054,163)
Loss for the Year	-	(8,948,721)	(8,948,721)
<b>Balance as at 31/03/2020</b>	<b>9,000,000</b>	<b>(304,002,884)</b>	<b>(295,002,884)</b>
Balance as at 01/04/2020	9,000,000	(304,002,884)	(295,002,884)
Loss for the Year	-	(32,160,481)	(32,160,481)
<b>Balance as at 31/03/2021</b>	<b>9,000,000</b>	<b>(336,163,365)</b>	<b>(327,163,365)</b>



**Note 10****Share Capital****Authorised, Issued, Subscribed and Fully paid up shares**

Share Capital	As at 31 March, 2021		As at 31 March, 2020	
	Number	"₹"	Number	"₹"
<b>Authorised shares</b>				
Equity Shares of ₹ 10 each	37,300,000	373,000,000	37,300,000	373,000,000
<b>Issued, subscribed and fully paid up shares</b>				
Equity Shares of ₹ 10 each	36,000,000	360,000,000	36,000,000	360,000,000
Total issued, subscribed and fully paid-up share capital	36,000,000	360,000,000.00	36,000,000	360,000,000.00

The company has only one class of shares referred to as Equity shares having face value of Rs. 10 /- each. Each holder of Equity share is entitled to one vote per share.

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.

**Note 12****Other income**

"₹"

Particulars	For the Year Ended on 31st March,	
	2021	2020
Kasar & Vataav	-	-
Forfiture of loans and advances ( Net)	-	652,189
Interest On IT Refund		5,130
Loss on Intraday Trading	-1,860	
<b>Total</b>	<b>(1,860)</b>	<b>657,319</b>

**Note 13****Finance cost**

"₹"

Particulars	For the Year Ended on 31st March,	
	2021	2020
Interest on Margin Funding	8,774	14,904
Other Interest	1,431	1,635
<b>Total</b>	<b>10,205</b>	<b>16,539</b>

**Note 14****Employee benefits expense**

"₹"

Particulars	For the Year Ended on 31st March,	
	2021	2020
Director's Remuneration	325,000	300,000
Salary & Bonus	1,235,440	1,047,488
Staff Welfare Expenses	19,305	23,502
<b>Total</b>	<b>1,579,745</b>	<b>1,370,990</b>

**Note 15****Purchase of Stock-In-Trade**

"₹"

Particulars	For the Year Ended on 31st March,	
	2021	2020
Purchase of shares	3,609,396	3,072,344
<b>Total</b>	<b>3,609,396</b>	<b>3,072,344</b>

**Note 16****Changes in inventories of Stock-In-Trade**

"₹"

Particulars	For the Year Ended on 31st March,	
	2021	2020
Inventory of shares at the beginning of the year	351,494	3,245,182
Inventory of shares at the closing of the year	806,594	351,494
<b>Changes in inventory</b>	<b>(455,101)</b>	<b>2,893,688</b>

**Note 17****Other expense**

"₹"

Particulars	For the Year Ended on 31st March,	
	2021	2020
Auditors Remuneration	70,800	70,800
Listing Fees	300,000	300,000
Miscellaneous Expenses	522,142	375,189
NSDL-CDSL Charges	188,600	150,489
Rates & Taxes	25,287	31,787
Repairs & Maintenance	27,789	41,256
<b>Total</b>	<b>1,134,618</b>	<b>969,521</b>



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# **MAHAN INDUSTRIES LIMITED.**

## **Notes to financial statements for the year ended 31 March, 2021.**

### **1) Corporate Information**

The standalone financial statements comprise of financial statements of Mahan Industries Limited (the "Company") for the year ended March 31, 2021. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE, a recognized stock exchange, in India. The registered office of the company is located at D K House, 3rd Floor, Nr Mitha-Khali Under Bridge, Navrangpura Ahmedabad, Gujarat. The company is engaged in the business of Investment in Quoted and Unquoted Shares and trading in shares.

The standalone financial statements were authorised for issue in accordance with a resolution of the board of directors on July 28, 2021.

### **2) Basis of preparation and presentation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 ("the Act"), (Ind AS compliant Schedule III), as applicable to the Company.

The standalone financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees and all values are rounded to the nearest Rupees, except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

### 3) Significant accounting policies and key accounting estimates

#### a) Significant accounting policies

##### i) Current / non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets/materials for processing or realising and their realisation in cash and cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

##### ii) **Foreign currencies**

The Company's standalone financial statements are prepared in Indian Rupee which is the also the Company's functional currency.

##### **Transactions and balances**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction, i.e. spot rate.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

Transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

**The principal or the most advantageous market must be accessible by the Company.**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties, unquoted financial assets and significant liabilities. Involvement of external valuers is decided upon by the Company after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company, after discussions its external valuers, determines which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be premeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities

on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

### **iii) Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises its purchase price net of any trade

Discounts and rebates, any import duties and other taxes (other than those subsequently

Recoverable from the tax authorities.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or up gradation.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.



Freehold land is carried at historical cost and not depreciated

Depreciation on all fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on Property, plant and equipment purchased/acquired during the year is provided on pro-rata basis according to the period each asset was put to use during the year. Similarly, depreciation on assets sold/discarded/demolished during the year is provided on pro-rata basis

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

**iv) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**v) Inventories**

Inventories are valued at lower of cost and net realizable value.

Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make sale. (Refer Note 15)

**vi) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses are recognized in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses on assets no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### **vii) Financial Instruments**

A financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities measured at fair value through profit and loss are immediately recognized in profit and loss.

All financial assets and liabilities are subsequently measured depending on classification either at,

1. Amortised Cost
2. Fair Value through Other Comprehensive income (FVTOCI)
3. Fair value through profit and loss (FVTPL)



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**Investments:**

Investments that are readily realizable and intended to be held for not more than 12 months are classified as current investments. The carrying value of unquoted Equity Instrument is considered as fair value due to non-availability of relevant Information. They are classified as level 3

Provision for diminution in the value of non current investments is made only if such decline is other than temporary. Cost of overseas noncurrent investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

Since there was permanent diminution in the value of some of the non-current investments, the same was written off to Profit & Loss account to the extent of permanent diminution. The same practice was also adopted in earlier periods' figures and earlier period figures restated accordingly in current year.

**viii) Cash and Cash Equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at bank, cash in hand and short term deposits (with the maturity of three months or less), which are subject to an insignificant risk of changes in value.

**ix) 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.

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.

**x) Taxes on Income**

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically

evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax liability are generally recorded for all temporary timing differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

**xi) 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.

Contingent liability arises when the Company has:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or



b) a present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

**xii) 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 31-03-2021	Year ended 31-03-2020
1	Net Profit / (Loss) attributable to shareholders	(321.60)	(89.49)
2	Weighted average no. of. Equity Shares	3,60,00,000	3,60,00,000
3	Basic Earning Per Share	(0.89)	(0.25)

**xiii) RELATED PARTY TRANSACTIONS:**

Name	Relationship	Nature of transaction	Amt (Rs) 2020-2021	2019-2020	Outstanding Balance (Rs) 2020-21	2019-20
Yogendra Kumar Gupta	Managing Director	Loan Taken	4,40,000	7,33,000	2,79,41,646	2,78,41,646
		Loan Repaid	3,40,000	-		
Manik Dattatrey	Key Managerial Personnel	Remuneration	3,00,000	2,70,000	-	-
		Bonus	25,000	20,000		
Naval Kishor Shah	Company Secretary	Remuneration	80,000	30,200	-	-
Jeegnesh Devyaniya	Company Secretary	Remuneration	1,40,000	-	-	-

**b) Key accounting estimates**

1. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

2. Loans and advances are subject to confirmation

For, Roopen R Shah & Co	For Mahan Industries Limited	
Chartered Accountants		
Firm Reg. No. 119869W		
	Director	Managing Director
	Lalit Sharma	Yogendrakumar Gupta
	DIN :07151116	DIN: 01726701
Roopen R Shah		
Proprietor		
M.No:-107279		
Place: Ahmedabad		
Date :28.06.2021		
	Chief Financial Officer	
	Sunil Gurnani	
	PAN:AJNPG3441M	
		Place:A Ahmedabad
		Date :28.06.2021



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