MANDHANA

a whirlpool of ideas!

INNOVATION INTEGRATION INVESTMENT

Annual Report 2009-10

Contents

INNOVATION INTEGRATION INVESTMENT

These are the three pillars that propel our growth.

At Mandhana Industries Limited, our growth is led by innovation.

Innovation has played a key role in making us one of India's leading textile and garment manufacturing companies. Be it our design, our technology or our processes, innovation is the bedrock of everything that we do.

Integration has powered our growth.

We are one of the most integrated companies in the Indian textile sector, present across the value chain from designing to yarn dyeing to garments. Our integrated facilities empower us to deliver our products in the quickest possible turnaround time. Vertical integration has also enabled us to achieve cost efficiencies and exercise strict quality control over our products.

Global buyers today are increasingly looking at consolidating their sourcing strategy. This means they want to source from fewer vendors who offer them everything. We are thus a preferred vendor because of our size, integrated facilities and modern facilities. It is no wonder then our reach extends to 25 countries across the world and we are still counting!

Further, we are maximising our growth through investment.

Over the past four years, we have close to doubled our yarn dyeing capacity. Our fabric processing capacity has increased by more than two times and our garmenting capacity has increased by 1.5 million pieces per annum.

In 2010-11, we came out with a successful Initial Public Offering (IPO) of ₹ 107.9 crore, which was oversubscribed by more than six times. We propose to use the majority of the proceeds to double our weaving capacity to 36 million metres per annum and increase our garmenting capacity by over two times to 8.3 million pieces per annum.

An increase in capacity will ensure operating efficiencies which will help us be more competitive in the global market. It will also ensure better margins. More value addition will lead to higher ROI and return ratios, resulting in a stronger balance sheet and market capitalisation.

And strong growth.

Sustainable and long - term.

It's no matter of coincidence that our turnover has grown at a CAGR of 37.18% over the past three years and net profit at a CAGR of 30.72% during the same period. Our ROCE is over 20%, one of the best in the industry. We are growing qualitatively and quantitatively.

And it is all thanks to our three pronged strategy - Innovation. Integration. Investment.

INNOVATION

"Innovation distinguishes between a leader and a follower." - Steve Jobs

At Mandhana, innovation is a passion.

From the first step of the value chain (design) to the last (garments), innovation is at the heart of everything that we do.

And it begins at the beginning.

We have strong design talent. Our design and sampling team conducts extensive research and in-depth analysis of market trends. They also interact with clients to understand their requirements and create innovative designs based on their requirements. Our state-of-the-art style lab and textile studio equipped with the latest CAD/CAM software enables our designers to create cutting-edge fashion.

Our four R&D centres, for yarn dyeing, fabric dyeing, weaving and garmenting operations respectively, with a dedicated team for each, are testimony to our commitment to design and product development. With our designing and sampling capacity, we thus have the capability to serve customers who launch upto 12 fashion seasons globally every year.

Going forward, it will be our constant endeavour to strengthen our apparel design and product development process. We will continuously upgrade our design studios both in terms of human resources and technology.

But at Mandhana, innovation is not just restricted to design.

We have the capability to create a variety of innovative finishes such as water/oil/mosquito repellant finishes and anti-bacterial/ takara finish including stain-free/U.V.protector/quick dry finish. We deploy state-of-the-art technology and modern equipment in all our operations which enables us to deliver the best product in the fastest possible time.

Innovation is vital to our growth. Innovation adds sustainability and scale.

Our ability to get a higher share of the business is directly dependent on our ability to design better and execute faster.

With the best designs, best environment, best equipment and the best people, Mandhana is well poised to create the fashions of tomorrow.

INTEGRATION

"It's all about business value. Why do customers want end-to-end integration? It's all about speed. It's all about return. It's all about creating great business revenues." - Steve Mills

Fashion is our business.

And fashion changes very fast. The design to delivery cycle in our business is thus very critical. There is no way one can outsource and reduce delivery time. And that's the strength of our integrated operations.

We are committed to helping our customers introduce fashion faster. We have captured the entire value chain from designing to yarn dyeing to garments. And so our design-to-delivery cycle time can be as quick as a mere 30 days. And we intend to reduce this even further.

We start with design and product development, dye the yarn, make and process the fabric and manufacture the garments too. The customer is delighted.

And so are we. Integration helps improve margins, cash flows and ROI. The customer stays longer, buys more. That makes us expand, grow and add scale. With it, come efficiency and more margin.

As the world becomes smaller and the boundaries for business dissolve, we are becoming the preferred partner for customers around the world by virtue of our integrated operations. We are part of the global textiles space catering to customers who sell in every part of the world. We have over 700 customers across 25 countries. And this number will only increase in the coming years.

We are confident.

Strong and sustainable relationships with our customers are crucial to our success.

We aspire to develop relationships with our clients not only through increased sales but increased variety of products as well. Simultaneously, we aspire to add more clients to our fold. This way, we not only enter new markets, we diversify our income and reduce our dependence on a given set of customers.

As we look ahead, we see ourselves exploring opportunities in various countries where we can supply value added textile products. At the same time, we will continue to participate in the domestic market in line with the available opportunity.

The journey has just begun.

INVESTMENT

"Sow the seed now to reap the fruit later."
-Anonymous

Innovation and integration are the roots of our business.

What has given us wings is investment.

Over the past few years, we have invested in:

- Almost doubling our yarn dyeing capacity
- Increasing our fabric processing capacity by more than two times
- Enhancing our garmenting capacity by 1.5 million pieces per annum
- Establishing a liaison office in Paris, France to build our international image and strengthen our foothold in Europe. This marketing base has been instrumental in increasing our exports to Europe from ₹ 4,981.63 lacs in FY06 to ₹ 12,2020.71 lacs in FY10.

The result.

Our turnover has grown at a CAGR of 37.18% over the past three years and our net profits have grown at a CAGR of 30.72%. We have increased our EBIDTA margin from 9.18% in FY06 to 20.13% in FY10.

And investment continues to be our mantra for growth.

Being an integrated player with global reach, we are now becoming even stronger by adding significant size. Our successful IPO of ₹ 107.9 crore will enable us to double our weaving capacity to 36 million metres per annum and increase our garmenting capacity by over two times to 8.3 million pieces per annum.

Increase in expansion will lead to operating efficiencies which will enable us to be more competitive and ensure better margins and a higher share. Faster and value added growth will ensure higher ROI and return ratios.

We are especially optimistic about the garment segment.

The Readymade Garments industry (domestic and exports) is expected to grow at a CAGR of 6.4% to touch ₹ 2,209 billion in 2014 from ₹ 1,615 billion in 2009. Given the various Government incentives for the textile industry, we believe the time is right to maximise the opportunity in this space- casual wear, women's wear, formal wear, linen wear, etc.

We have built a strong foundation through focus on design, product development and integration.

Expect strong and sustainable growth hereon, onwards and upwards.

FROM THE CMD'S DESK

"Given our strengths and our vision, I am confident that Mandhana will become an eminent force in the textiles and apparel space in the years to come."

Dear Shareholders,

Welcome to Mandhana Industries Limited.

At the outset, I would like to thank every shareholder and applicant for their response to our IPO of ₹ 107.9 crore, which got oversubscribed by more than six times. Your encouragement has put a lot of responsibilities on us and let me assure you, my team and I will give our best to ensure sustainable growth for the Company.

Since this is my first communication with you, I want to spend some time on why we are so excited about the future.

Mandhana Industries Limited is one of India's premier textile and garment manufacturing companies. We follow a three-pronged strategy of - innovation, integration, investment - to create long term value for all our stakeholders.

Innovation at Mandhana is not just restricted to design. Be it our business plan, our technology or our processes, innovation is the foundation of everything that we do.

Further, we differentiate ourselves through design. We have created a niche market in domestic as well as international apparel and textile markets on the back of our strong designing capabilities. We do not just manufacture. We provide design solutions to clients across the world. This is the crucial parameter that distinguishes us from our competitors and enables us to generate higher realisations per piece.

What has propelled our growth however is our core policy of integration. We will continue to focus on strengthening our garmenting capacity while simultaneously augmenting our textile capacities across the value chain i.e. yarn dyeing, weaving and fabric processing. This will enable us to be self-sufficient in terms of raw material procurement. We are thus further enhancing our growth through investment.

Given our strengths and our vision, I am confident that Mandhana will become an eminent force in the textiles and apparel space in the years to come.

And finally, at Mandhana, we firmly believe in the idea of 'Let's grow together'. We believe that everyone associated with us - our employees, investors, vendors, customers and the society at large - should prosper proportionately with us and that has been our constant endeavour ever since we began operations. I would like to express my gratitude to all our stakeholders for the support and trust they have reposed in us. I would also like to welcome every shareholder to the Mandhana family and assure you of the best always.

Yours sincerely,

Purushottam C. Mandhana
Chairman and Managing Director

ALL YOU NEED TO KNOW ABOUT MANDHANA

WHO

Mandhana Industries Limited is one of India's premier textile and garment manufacturing company. We are vertically integrated with presence across the textile value chain from yarn dyeing to garment manufacturing.

WHERE

- 4 textile manufacturing facilities at MIDC, Tarapur, Maharashtra for yarn dyeing, weaving and fabric processing
- Domestic distribution facilities in Delhi, Bengaluru, Mumbai and Chennai
- Global distribution facilities in USA, Italy, Turkey, France and other European countries
- Liaison office in Paris under the name 'Mandhana Europe'
- Exports to Italy, Belgium, Czech Republic, France, Switzerland, Netherlands, United Kingdom, Greece, Spain, Finland, Hungary, Turkey, Russia, Poland, Germany, Malaysia, Mexico, USA, Australia, South Africa, Saudi Arabia, Israel, Singapore, Indonesia, Romania

WHAT

Textiles

- 79.29 % of our sales
- Yarn dyeing, weaving and fabric processing
- We also produce greige and finished fabrics like cotton textiles, yarn dyed fabrics, embroidered, embellished and blended cotton fabrics including cotton blends with nylon, lycra, viscose, mélange etc. for our customers as well as for captive consumption.

Garments

- 20.71% of our sales
- Readymade woven garments including shirts, ladies tops, dresses, skirts, kids wear, sports wear and jeans wear
- We can also perform embellishment and surface ornamentation processes like embroidery, printing & washing.
- 94.24% of the garments manufactured are exported to 25 countries across the world.

Bershka Adolfo Dominguez WWF Van Heusen Indian Terrain

Levi's Peter England Orsay Siyaram's

Nikelson Allen Solly Pepe Mango Leclerc

Elcorte ingles Turtle United Colors of Benetton

Blackberry Color Plus Woodland Tiffany

Gini & jony Inter marcher Veti marcher Custo Barcelona Max Mara Celio

Murphy & Nye Teddy Smith Colin's Pepe Jeans Versace

Scotch & soda Armani Jeans Replay Quicksilver

Sun valley NTS Wills Lifestyle Killah

Banana Moon Valentino Gas All Saints LAFUMA

Emporio Armani D&G

OUR CLIENTS

Gin Tonic Westside Pantaloon

Simint FCUK RIP CURL

Switcher Auchan Lilliput Gin Tonic

Roxy Lee Cooper Energie Aditya Birla Nuvo Spykar

Guess Ben Sherman Charles Vogele Bristol

Oxbow Brice Newyorker Shoppers Stop

O'neil Marlboro Classic PJL Clothing India Limited Tommy Hilfiger Denim Aigle

Gianfranco Ferre Calvin Klein Energie Bonprix

Adolfo Dominguez Miss Sixty J.C.Rags French Connection

Promod Iceberg Jean'paul Gaultier System U LA- Redoute

Otto We New Port Iceberg Indian Terrain

OUR TEAM

The Company is led by Mr. Purushottam Mandhana, Chairman & Managing Director and guiding light, who has close to 30 years of industry experience. He is joined by a team of 7 directors and 4,327 highly passionate and qualified employees who are the key to the Company's success and growth.

INITIAL PUBLIC OFFERING

Mandhana Industries Limited made an Initial Public Offering (IPO) of 83,00,000 equity shares of ₹ 10/- each for cash at a price of ₹ 130/- per equity share (including a premium of ₹ 120/- per equity share) aggregating ₹ 10,790 lac. The equity shares were listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited on 19th May 2010. The market capitalisation of the Company as on June 30, 2010 was ₹ 48,195.29 lac.

OUR GROWTH OVER THE YEARS

	2006	2010
Yarn Dyeing	1.8 million kgs. p.a.	3 million kgs. p.a.
Weaving	8 million metres p.a.	18 million metres p.a.
Fabric Processing	20 million metres p.a.	51 million metres p.a.
Garments	2.1 million pcs p.a.	3.6 million pcs p.a.

OUR NUMBERS

₹ 62,521.64 lacs

Turnover, an increase of 35% over the previous year

₹ 12,585.95 lacs

EBIDTA, an increase of 43% over the previous year

20.13% EBIDTA Margin

6.95% PAT Margin

₹ 4,347.21 lacs

PAT, an increase of 19% over the previous year

₹ 18.24 Earnings per share (Basic), an increase of 13 % over the previous year

₹ 19,334.05 lacs

Net Worth, an increase of 45% over the previous year

20.97%

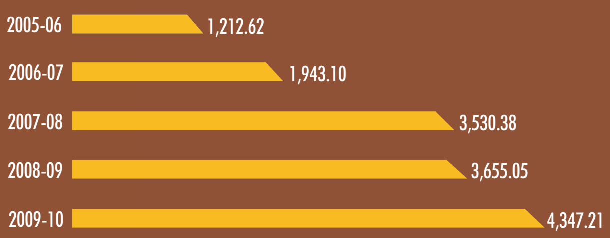
Return on Capital Employed (ROCE)

FINANCIAL SNAPSHOT

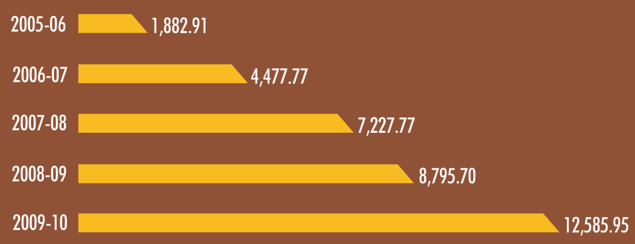
(₹ in lacs)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
Financial Performance					
Turnover	62,521.64	46,325.17	40,693.94	24,121.73	20,501.77
Earnings Before Depreciation, Interest and Tax (EBDITA)	12,585.95	8,795.70	7,227.77	4,477.77	1,882.91
Profit Before Tax	6,660.00	5,604.49	5,406.59	2,985.10	1,876.28
Profit After Tax	4,347.21	3,655.05	3,530.38	1,943.10	1,212.62
Earnings Per Share (Basic) (In ₹)	18.24	16.14	32.39	18.51	11.55
Financial Position					
Equity Share Capital	2,482.39	1,132.50	1,132.50	1,050.00	1,050.00
Reserves and Surplus	16,851.66	12,210.54	8,845.61	4,373.15	2,669.51
Net Worth	19,334.05	13,343.04	9,978.11	5,423.15	3,719.51
Gross Block	42,294.48	36,030.36	24,228.63	16,327.79	14,527.33
Net Block (Inclusive of WIP)	36,783.89	31,964.13	21,602.47	16,046.12	14,752.58
Net Current Assets	28,939.62	16,811.52	13,468.52	7,340.60	4,255.10
Financial Ratios					
Return on Net Worth	22.48%	27.39%	35.38%	35.83%	32.60%
EBIDTA Margin	20.13%	18.99%	17.76%	18.56%	9.18%
ROCE	20.97%	23.13%	30.36%	22.97%	23.78%
Debt Equity Ratio	1.55	1.63	1.60	2.21	2.90
Current Ratio	2.09	1.55	1.54	1.09	0.77

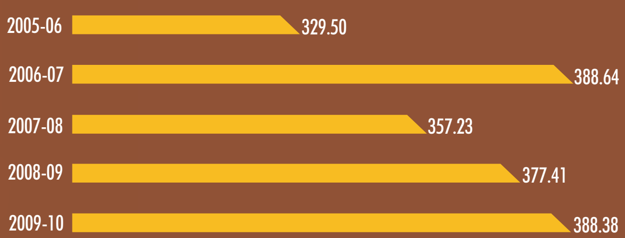
Net Profit (₹ in lacs)



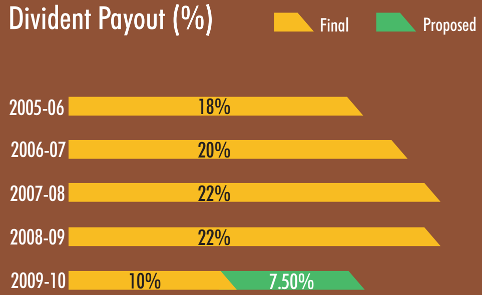
EBDITA (₹ in lacs)



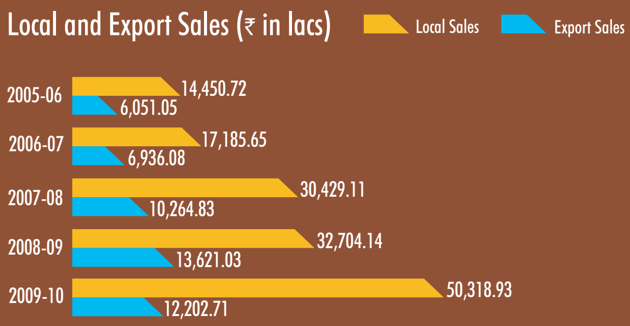
Average Selling Price-Exports (Garments) - (₹)



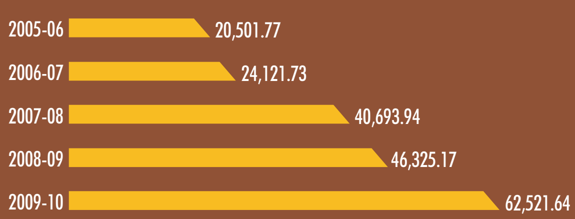
Divident Payout (%)



Local and Export Sales (₹ in lacs)



Turnover (₹ in lacs)



BOARD OF DIRECTORS

Mr. Purushottam C. Mandhana, Chairman and Managing Director

Founder of Mandhana Industries Limited Visionary entrepreneur. Over 30 years of experience. Proficient in every sphere of the textiles industry. Administrator par excellence. Meticulous planner.

Mr. Biharilal Mandhana (Director), Co-founder of Mandhana Industries Limited

35 years of experience. Refined HR & logistics sensibility. Exhaustive sourcing capabilities. Ability to perceive opportunities and threats.

Mr. Manish Mandhana, Joint Managing Director

Torch bearer of modernization and progress, 15 years of experience. Passionate and perfection-oriented. Astute pulse of latest trends in fashion. Aggressive marketer.

Mr. Gyanendra Nath Bajpai

Ex-Chairman of SEBI. Ex-Chairman of LIC. Ex-Director of GIC, ICICI, UTI and India International Insurance Limited. Currently on the Board of Governors of IIM (Lucknow) and Member of RBI's Standing Technical Committee on Financial Regulation.

Mr. Khurshid M. Thanawala

Responsible for the establishment and management of textile mills in Kenya and Indonesia in the capacity of Managing Director, 1965-1984. Director of Textile Consultancy, Management and agency companies in East Africa, Switzerland, Singapore and India, 1965-1984. Managing Director, Barmag India Pvt. Ltd., Sales and Service of Textile Machinery for the Chemical and Natural Fibre, 1985-1996. Managing Director, Oerlikon Textile India Pvt. Ltd. 2004-2007.

Mr. Robin Cornelieus

CEO, Switcher SA (Founder) enjoying 80% of market recognition in Switzerland. Winner 'International Corporate Consience Award 2003' by SAI (Social Accountability International), New York.

Mr. Sanjay Ashar

Solicitor & Partner in Crawford Bayley & Co. Incorporated Law Society, 1993. Invitee by Government of India, in the committee formed by Department of Disinvestment. Member of Committee in respect to Indo US Financial Institutions Reforms & Expansion Projects.

Mr. Ajay Joshi

A fellow member of ICWAI (Institute of Cost and Works Accountant of India). Ex-Director and Ex-CFO of Alfa Laval India Ltd. Over 25 years of experience in different facets of Finance, Accounts, Systems and allied Management. Founder of Value Qb Consulting, a reputed consulting firm.

CORPORATE INFORMATION

Mr. Purushottam C. Mandhana	—	Chairman & Managing Director
Mr. Biharilal C. Mandhana	—	Executive Director
Mr. Manish B. Mandhana	—	Joint Managing Director
Mr. Ghyanendra Nath Bajpai		
Mr. Sanjay K. Asher		
Mr. Ernst Robin Cornelius		
Mr. Khurshed M. Thanawalla		
Mr. Ajay Joshi		

BOARD COMMITTEES

Audit Committee

Mr. Khurshed M. Thanawalla	Chairman
Mr. Ghyanendra Nath Bajpai	Member
Mr. Sanjay K. Asher	Member
Mr. Ajay Joshi	Member
Mr. Purushottam C. Mandhana	Member

Shareholders'/Investors' Grievances,

Share Allotment and Transfer Committee

Mr. Khurshed M. Thanawalla	Chairman
Mr. Ajay Joshi	Member
Mr. Manish B. Mandhana	Member

I.P.O. Committee

Mr. Purushottam C. Mandhana	Chairman
Mr. Biharilal C. Mandhana	Member
Mr. Manish B. Mandhana	Member

Vinay Sampat **Company Secretary & Head Legal**

Remuneration Committee

Mr. Ghyanendra Nath Bajpai	Chairman
Mr. Khurshed M. Thanawalla	Member
Mr. Ajay Joshi	Member
Mr. Sanjay K. Asher	Member

Managing Committee

Mr. Purushottam C. Mandhana	Chairman
Mr. Biharilal C. Mandhana	Member
Mr. Manish B. Mandhana	Member

Management Team

Mr. A. P. Bhatnagar	President – Weaving & Shirting
Mr. Uday Kulkarni	Vice President - Processing
Mr. Mitesh Shah	G.M - Finance
Mr. Pushpendra Tyagi	G.M.- Marketing (Textiles)
Mr. Gopal Shah	G.M. – Marketing (Exports)
Mr. Prasad R.V.R	G.M. – Production (Mumbai)
Mr. R. K. Nair	G.M. – Production (Bangalore)
Mr. Jagdish Pamwani	G.M. – Marketing (Garments –Domestic)
Ms. Varsha Singh	G.M. – Merchandising
Mr. Ashok Dhinoja	Head – I.T.
Mr. Rahul Anand	Head – Design
Mr. Nayan Kambli	A.G.M. – Finance & Accounts
Mr. Arvind Shikharkhane	Project Head (Technical)
Mr. Piyush Vyas	Chief Administrative Officer (Bangalore)
Ms. Stephanie Fontaine	Head – Mandhana Europe

Auditors

M/s Vishal H. Shah & Associates

Solicitors

M/s Crawford Bayley & Co.

Bankers

Bank of Baroda
Corporation Bank
State Bank of Patiala
Bank of Maharashtra
Panjab National Bank
Indian Bank
State Bank of India
Axis Bank Limited
HDFC Bank Limited
Standard Chartered Bank
ICICI Bank Limited

Registered Office

Plot no. C-3, MIDC,
Tarapur Industrial Area,
Boisar, Dist: Thane - 401506
Tel : 91-2525-272228/29
Fax: 91-2525-260251

Corporate Office

205-214, Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai 400 012
Tel : 91-22-4353 9191
Fax: 91-22-4353 9216
e.mail : info@mandhana.com
Web: www.mandhana.com

Registrar and Share Transfer Agents

Link Intime India Private Limited
(Unit : Mandhana Industries Limited)
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai 400 078.
Tel : 91-22-2594 6970
Fax : 91-22-2594 6969
e.mail : rnt.helpdesk@linkintime.co.in

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of Mandhana Industries Limited will be held at the Registered Office of the Company at Plot no. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Thane - 401 506 on Monday, the 27th September, 2010 at 11.30 a.m., for the purpose of transacting the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, as at 31st March, 2010 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and Auditors thereon.
2. To confirm interim dividend and declare final deividend for financial year 2009-10.
3. To appoint Director in place of Mr. Khurshed M. Thanawalla, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Ajay Joshi, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Vishal H. Shah & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

   "RESOLVED THAT in supersession of the Resolution passed in the Extra Ordinary General Meeting held on 2nd July, 2007, consent of the Company be and is hereby accorded to the Board of Directors, pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Director may, in its discretion, thinks fit, notwithstanding that the money or monies so borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) together with the sum already borrowed may exceed the aggregate of the paid up capital of the Company and its free reserve that is to say, reserve not set apart from any specific purpose, provided that however the total borrowing shall not exceed the aggregate of the paid up capital and free reserve of the Company by more than the sum of Rs. 1,250 Crores at any time."

By Order of the Board of Directors
for **MANDHANA INDUSTRIES LIMITED**

VINAY SAMPAT
(Company Secretary & Head Legal)

Registered Office:
Plot no. C-3, MIDC,
Tarapur Industrial Area,
Boisar, Dist: Thane - 401506
Dated: 13th August, 2010

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18th September, 2010 to Monday, the 27th September, 2010 (both days inclusive).
3. If the Dividend on equity shares, as recommended by the Directors is approved at the meeting, payment of such dividend will be made to those members whose names appear on the Company's Register of Members on the 27th September, 2010.
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
5. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible ready at the Meeting.

EXPLANATORY STATEMENT PURSUANT SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 6

Under Section 293(1)(d) of the companies act, 1956, the Members approval is required for borrowing, if the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate paid up capital of the Company and its free-reserves. The Members of the Company had, by a Resolution passed in the Extra Ordinary General Meeting held on 2nd July, 2007, authorized the Board of Directors of the Company to borrow upto Rs.750 crores. The present borrowing coupled with further borrowings in near future may exceed the aforesaid limits of Rs.750 Crores.

It is proposed to authorize the Board of Directors to borrow upto Rs.1,250 Crores in order to meet the Company's capital expenditure requirements; general corporate purposes and asset acquisition at the opportune times.

Your Directors commend the resolution at item no. 6 of the Notice for your approval.

None of the Directors of the Company are concerned or interested in this Resolution.

By Order of the Board of Directors
for **MANDHANA INDUSTRIES LIMITED.**

VINAY SAMPAT
(Company Secretary & Head Legal)

Registered Office:
Plot no. C-3, MIDC,
Tarapur Industrial Area,
Boisar, Dist: Thane - 401506
Dated: 13th August, 2010

DIRECTORS' REPORT TO THE MEMBERS

The Directors have the pleasure in presenting the 26th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	2010	2009
Total Income	60,993.40	46,000.64
Profit Before Interest, Depreciation and Taxation	11,057.71	8471.18
Less : 1. Interest	2,671.95	1757.14
2. Depreciation	1,725.76	1109.54
Profit Before Taxation	6,660.00	5,604.49
Less : Provision for Taxation		
Current Tax	1,174.58	645.40
MAT Receivable	(212.64)	(15.05)
Deferred Tax	1,350.85	1,285.31
Fringe Benefit Tax	—	33.78
Profit after Taxation	4,347.21	3,655.05
Less: Income Tax for earlier year	7.13	(1.37)
Add : Balance of Profit from earlier years	9,834.74	6919.81
Amount available for Appropriations	14,174.82	10,576.23
Less : Dividend (Interim & Proposed)	496.67	249.15
Tax on distributed Profits	84.41	42.34
Transfer to General Reserve	400.00	450.00
Balance carried forward	13,193.74	9,834.74

OPERATIONS REVIEW

Your Company achieved a total turnover of Rs.60,993.40 Lacs for the year ended 31st March, 2010 as against Rs.46,000.64 Lacs in the previous year. The Company has earned a net profit of Rs.4,347.21 Lacs versus Rs.3,655.05 Lacs in the previous year. This represents a growth of 32.59% in turnover and 18.93% in terms of net profit

BUSINESS OVERVIEW

A detailed business review is appended in the Management Discussion and Analysis Section of Annual Report

DIVIDEND

Your Directors had declared and paid an interim Dividend of 10% for the financial year ended 31st March, 2010 in February, 2010 absorbing an amount of Rs.248.24 Lacs (excluding Dividend Distribution tax of Rs.42.19 Lacs). Your Directors are pleased to report that the Board has recommended a final dividend of 7.5% for the financial year ended 31st March, 2010. The final dividend will absorb an amount of Rs.248.43 Lacs (excluding Dividend Distribution tax of Rs.42.22 Lacs). The total dividend outflow for the year 31st March, 2010 aggregating Rs. 496.67 Lacs (excluding Dividend Distribution tax of Rs.84.41 Lacs) represents 15% of the Company's paid-up share capital.

SHARE CAPITAL

During the year under review:

a. 113,25,000 equity shares of Rs. 10 each were issued and allotted as Bonus shares in the ratio of 1:1 equity shares to the existing members of the Company.

b. 21,73,913 equity shares of Rs. 10/- each were issued and allotted to Axis Bank Limited, an Indian private Bank, at a price of Rs. 115/- per equity share inclusive of share premium of Rs. 105/- per equity share on preferential basis.

CORPORATE GOVERNANCE

In view of the Company being unlisted as on 31st March, 2010 i.e. end of the financial year 2009-10, the code of Corporate Governance as provided under Clause 49 of the Listing Agreement would not apply to the Company.

However, your Company reaffirms its commitment to the good corporate governance practices. A corporate Governance Report is annexed to Director's Report and Auditors Certificate regarding compliance of the Corporate Governance is made part of Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management discussion and Analysis as required under provisions of Clause 49(IV)(f) is enclosed herewith

PUBLIC DEPOSIT

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

DIRECTORS

Mr. Khurshed M. Thanawalla and Mr. Ajay Joshi, Directors of the Company retire from the Board by rotation in accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company and being eligible, offers themselves for re-appointment.

The particulars of the Directors' proposed to be re-appointed are given in the corporate governance report in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit of the Company for the year under review;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

A statement showing the particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Companies (Particulars of Employees) (Amendment) Rules, 2002 is annexed to this report and forms integral part of this report.

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

Particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as per section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010, are annexed to this report.

CORPORATE SOCIAL OBJECTIVES

Corporate social Responsibility assumes an important role in the activities of the Company. Efforts to contain air and water pollution and health continue to be chosen endeavor.

AUDITORS

M/s. Vishal H. Shah & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate pursuant to Section 224(1) of the Companies Act, 1956 regarding their eligibility for re-appointment and your Directors recommend the re-appointment.

ACKNOWLEDGEMENT

The Directors take this opportunity to thank the shareholders, Financial Institutions, Banks Customers, Suppliers, Regulators, Government Authorities - Central and State Government & Local.

The Directors also wish to place on record their appreciation of the employees at all levels for their hard work, dedication and commitment.

For and behalf of the Board of Director

PURUSHOTTAM C.MANDHANA
(Chairman and Managing Director)

Place : Mumbai

Dated : 13th August, 2010

ANNEXURE- A To Directors' Report

Statement pursuant to section 217 (2A) of the Companies Act 1956 and the companies (Particulars of Employees) Rules 1975.

Name & Designation	Age	Remuneration Received (Rs.)	Qualification and Experience	Date of commencement of employment	Previous Employment
Purushottam C. Mandhana (Chairman and Managing Director)	53	145,08,000.00	B.Com (31 Years)	01-04-1994	—
Biharilal C. Mandhana (Executive Director)	64	36,72,000.00	B.Com (35 years)	25-07-1984	—
Manish B. Mandhana (Joint Managing Director)	40	109,44,000.00	B.Com (14 Years)	30-09-1995	Mandhana Exports Private Limited

Notes :

1. Remuneration includes Salary, allowances, company's contribution to provident fund and monetary value of perquisites.
2. Nature of employment is contractual. Other terms and conditions are as per the company's Rules.
3. The Directors mentioned hereinabove are related to each other.

ANNEXURE – B To the Directors' Report

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Outgoing – Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

CONSERVATION OF ENERGY

The company continued to maintain its Energy conservation techniques efficiently and more effectively for the fiscal year 2009-10. A slender increase in energy consumption is due to expansion of its manufacturing activities. However it is pertinent to note that due to adequate measures taken by the company with respect to energy conservation, the increase in consumption unit is relatively less than the increase in production and volume of expansion of business. The Company has installed various energy saving devises such as micro-processor based energy control systems, Thermally energy-efficient stenters and other equipments like shunt capacitors, automatic power cut-off devices & automatic voltage controllers etc. The Company also maintains the energy saving equipments installed earlier in pristine condition, to maintain their efficiency.

The Company has and/or will install its plants with various Air & water pollution control equipments like Air Compressor, Dust Collector Systems, Water Treatment Plants, Waste Heat Recovery Equipments to minimize the Air and Water wastage and pollution.

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER "FORM A" ARE AS FOLLOWS:

Power and Fuel Consumption	2009-10	2008-09
1. Electricity		
a. Purchased units	**26,477,395**	**22,666,556**
Total Amount	**96,394,243**	**75,568,678**
Rate / Unit	**3.64**	**3.33**
b. Own Generation		
Units	**614,884**	**464,956**
Units per Litre Of Diesel oil	**6.43**	**6.40**
Cost Unit	**Not Accessible**	**Not Accessible**
2. COAL		
Quantity (in M.T.)	**13,528**	**9,109**
Total Cost	**56,680,344**	**42,453,362**
Average Rate (Per M.T.)	**4,190**	**4,661**
3. FURNACE OIL		
Quantity	**Nil**	**Nil**
Total Cost	**Nil**	**Nil**
Average Rate (Per Litre)	**Nil**	**Nil**
4. Consumption per unit of processing Product Unit Electricity	**Not Accessible**	

TECHNOLOGY ABSORPTION:

1. RESEARCH AND DEVELOPMENT

Research & Development activities form a fundamental part of Company's business processes. The Company's yarn and fabric processing units are equipped with excellent Laboratories to develop innovative technique of dyes & chemicals. The Company has developed a niche for itself in the domestic and international apparel market through superior design expansion and improvement. The R&D have reaped vast benefits in the form of improvement in process and productive capacity, enhanced quality & marketability of products, value addition the existing products, enrichment of product range, improved customer satisfaction, development of eco-friendly products and above all, higher realisations.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology is the backbone of any contemporary manufacturing industry. In the context of Textile Industry, adoption of latest technology is the key to survival as the Industry is characterised by ever changing fashion trends involving different fabric finishes, designs, qualities and construction. Your Company has been amongst the industry leaders in adapting latest processing technology. Your Company has carried out several expansion projects in a planned manner over the past years to phase out obsolete technology and to replace it with advanced technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	:	**Rs. 11,110.21 Lacs**
Out go	:	**Rs. 3,881.01 Lacs**

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC OVERVIEW

Multi-speed revival was the buzzword for 2009-10 - slow growth in OECD countries and high growth in India and China. There was a distinct turnaround in the economic climate in India in 2009-10, post a challenging 2008-09. According to the estimates by the Ministry of Statistics and Programme Implementation, the Indian economy has registered a growth of 7.4% in 2009-10, with 8.6% year-on-year (y-o-y) growth in its fourth quarter. The GDP growth rate of 7.4% in 2009-10 has exceeded the government forecast of 7.2% for the full year. The growth is driven by robust performance of the manufacturing sector on the back of government and consumer spending. The Index of Industrial Production (IIP) for the financial year 2009-10, stood at 10.4% as against 2.8% in 2008-09.

Strong growth drivers still exist that will further propel the economy in the coming years. These include rising per capita income, rapid urbanisation, strong domestic demand as well as a conducive political climate. The country's demographics too are extremely favourable with 70% of the population being below 35 years of age.

All this bodes well for the Indian economy in general and the textile and garments industry in particular.

2. INDUSTRY OVERVIEW

The textiles and apparel industry can be broadly segmented as-

- Yarn and fibre (including natural and manmade fibre and yarn).
- Processed fabrics (including woollen textiles, silk textiles, jute textiles, cotton textiles and technical textiles), readymade garments and apparel.

The Indian textile industry contributes about 14% to industrial production, 4% to the country's gross domestic product (USD 51.36 billion) and 17% to the country's export earnings, according to the Annual Report 2009-10 of the Ministry of Textiles.

It provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

According to the Ministry of Textiles, the cumulative production of cloth during 2009-10 has increased by 8.3% as compared to the corresponding period of the previous year. There has been a surge in textile sourcing from India, which is estimated to grow to USD 37 billion by 2011. India's abundant supply of raw material such as cotton, silk and jute is a major driver for sourcing by international retail players from India. Companies such as Marks & Spencer, Haggar Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International and Quest Apparel Inc have opened their liaison offices in India. Wal-Mart, JC Penny, Nautica, Dockers and Target, source textiles and apparel from India.

Thus, the total textile exports have increased to USD 18.6 billion during 2009-10, from USD 17.7 billion during the corresponding period of the previous year, registering an increase of 4.95% in rupee terms. Further, the share of textile exports in total exports has increased to 12.36% during April 2009-January 2010, according to the Ministry of Textiles.

As per the Index of Industrial Production (IIP) data released by the Central Statistical Organisation (CSO), cotton textiles has registered a growth of 5.5% during 2009-10; wool, silk and man-made fibre textiles have registered a growth of 8.2%, while textile products including wearing apparel have registered a growth of 8.5%.

According to the Ministry of Textiles, investment under the Technology Upgradation Fund Schemes (TUFS) has been increasing steadily. During the year 2009-10, 1,896 applications have been sanctioned at a project cost of USD 5.23 billion. The cumulative progress as on December 31, 2009, includes 27,477 applications sanctioned, which has triggered investment of USD 45.5 billion and amount sanctioned under TUFS is USD 18.9 billion of which USD 16.4 billion has been disbursed so far till the end of April, 2010.

Moreover, in May 2010, the Ministry of Textiles informed a parliamentary panel that it proposes to allocate USD 785.2 million for the modernisation of the textile industry.

The Scheme for Integrated Textile Park (SITP) was approved in July 2005 to facilitate setting up of textiles parks with world class infrastructure facilities. The scheme was introduced to neutralise the weakness of fragmentation in the various sub-segments of the textile value chain and the unavailability of quality infrastructure. 40 textiles park projects have been sanctioned under the SITP. According to the Minister of State for Textiles, under the SITP, a cumulative expenditure of USD 204.3 million has been incurred against allocation of USD 220.7 million in the last three years.

The Ministry of Textiles has undertaken the initiative to establish institutes in the Private Partnership Projects (PPP) mode to encourage participation from the private sector for the development of the industry.

A Foreign Direct Investment (FDI) cell has been set up in the economic division of the Ministry of Textiles to attract FDI in the textile sector. The Government allows 100% FDI through the automatic route. The textiles industry has also attracted FDI worth USD 817.26 million between April 2000 and March 2010, according to data released by the Department of Industrial Policy and Promotion. According to the

Minister for Textiles, around USD 5.35 billion of foreign investment is expected to be made in India in the textile sector over the next five years.

In the Union Budget 2010-11 presented in February 2010, the Finance Minister made the following announcements to benefit the textile industry:

- The Central plan outlay for the industry has been enhanced to USD 1.03 billion. Of this USD 521.4 million is for TUFS, USD 76 million for SITP, USD 80.2 million for handlooms, USD 69.3 million for handicrafts and USD 98.4 million for sericulture.
- Allocation for textiles and jute industry is USD 713.4 million.
- The total allocation for village and small enterprises sector which include handicrafts and handlooms is USD 210.3 million.
- USD 31.5 million has been provided for development of mega clusters in handlooms, handicrafts and power loom sectors.
- Customs duty at 4% for import of readymade garments for retail sales has been withdrawn.
- The micro small medium enterprises in textiles sector have been given full CENVAT credit on capital goods in one instalment in the year of receipt of such goods and the facility of payment of excise duty in quarterly basis.

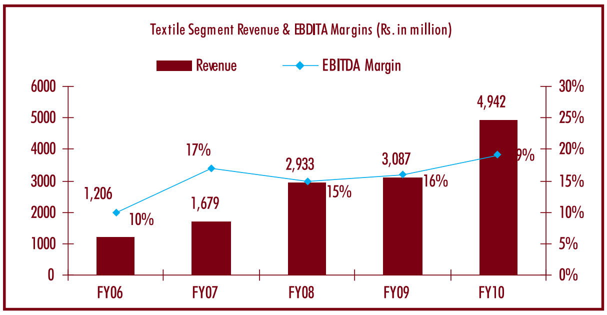
3. BUSINESS OVERVIEW

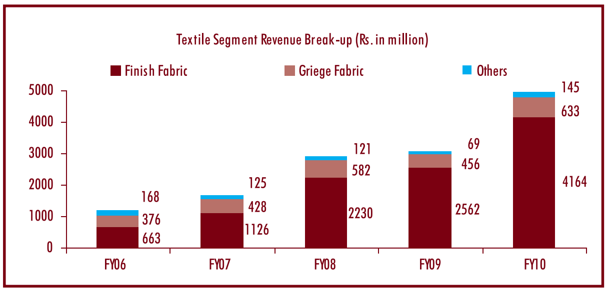
Incorporated in 1984, Mandhana Industries Limited (Mandhana) is a vertically integrated, muti-divisional textile and garments company spread over several geographical locations. The operations and facilities enable the Company to manufacture a wide variety of value added fabrics and garments through integrated operations comprising of dyeing of yarns and fabrics, weaving operations for fabrics, processing solutions for fabrics and garments, garment manufacturing, sampling and designing for fabrics and garments.

The Company has two main divisions-

(i) Textile Division- There are four textile manufacturing facilities at MIDC Tarapur which comprise of yarn dyeing, weaving and fabric processing, contributing 79.05% of the total revenues in 2009-10. The state-of-the-art infrastructure offers complete integration from yarn dyeing to fabric processing, that too at a single location of Tarapur, Maharashtra.

As on March 31, 2010, the Company operates 183 weaving looms with a capacity of 180 Lacs meters p.a of griege fabric. The processing capacity of finished fabric is 516 Lacs meters p.a and the yarn dyeing capacity is 30 Lacs kg p.a.

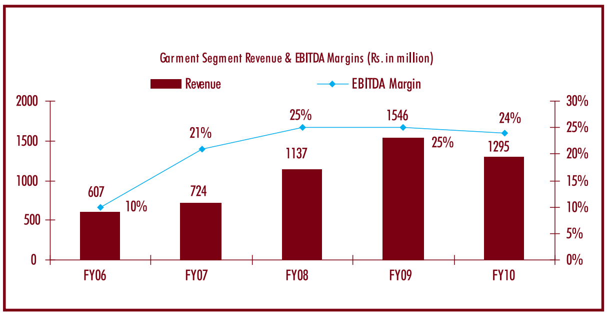


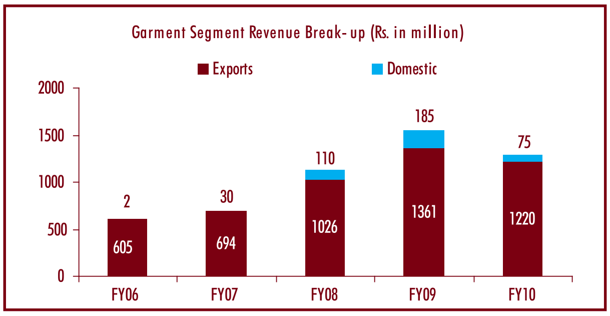


The major clients for the textile division are Aditya Birla Nuvo, (manufacturers of brands like Louis Philippe, Van Heusen, Peter England, Allen Solly), Pantaloon Retail, ITC (manufacturer of brand Wills LifeStyle), Woodland, Liliput, Blackberry, Indian Terrain Clothing, Colorplus Fashion, PJL Clothing India Limited (manufacturers of the brand Pepe in India), Turtle, Gini and Jony Limited and S-Oliver.

(ii) Garment Division – This division derives revenue from sale of readymade garments, charges on sample pieces sent to customers on account of exports of garments and export incentives such as duty drawback. While the garment sales contribute 20.71% of the total revenues for 2009-10, 94.23 % of the total revenues of this division were derived from export sales. The Company has four garments unit at Bangalore and a design studio cum sampling unit at Mumbai.

As on March 31, 2010, this division had 1,150 sewing machines and an overall production capacity of 36 Lacs pieces p.a.





The client base constitutes of almost 100 customers, such as Tommy Hilfiger, Charles Vogele, FCUK, RIP CURL, All Saints, Pepe Jeans, Cloin's and Newyorker. Currently in the domestic markets, the Company supplies garment products to Pantaloon, Lee Cooper, Aditya Birla Nuvo, Shoppers Stop, PJL Clothing India Limited (Pepe), and Wills Lifestyle and others.

4. SWOT ANALYSIS

Find below an analysis of the overall strategic position of the Company's business and its environment.

(i) Strengths

- Vertically integrated operations and execution capabilities - The Company reaps the benefit of vertical integrated textile and garment manufacturing in India having a presence across operations ranging from yarn dyeing to garment manufacturing. This helps the Company to derive the benefits of economies of scale and quality control. This along with wide product range makes the Company a well preferred partner for sourcing textile goods.
- Diversified domestic and international customer base - The Company has several high profile clients of international repute such as Pepe jeans, Sixty, Valentino, Collins etc. Mandhana also deals with several large domestic players such as Pantaloons, Lee Cooper, and Shoppers Stop etc. A large client base helps to reduce dependency on any particular client.
- Technological, marketing and designing capabilities - The Company has an office in Paris which is the fashion capital of the world. With this, the Company has established an overseas marketing base. Mandhana has set up a dedicated garment design studio cum sampling unit at Sewree, Mumbai. The in-house product designing and development team of 200 workers and 18 designers have created 100,000 garment designs and 150,000 woven fabric designs. The superior designs and upscale patterns have helped the Company to realise better average selling price per unit. Mandhana has invested in state-of-the-art equipment and technology in all its areas of operations at par with global competitors.
- Strong financial track record - The Company boosts of a robust financial track record.

  i) The revenue has been grown at a CAGR of 32.15% from FY06-FY10.

  ii) The Profit After Tax has been grown at a CAGR of 37.60% from FY06-FY10.

  iii) The Company's EBIDTA margin has improved from 9.18% in FY06 to 20.13% in FY10

  iv) The Company also has decreased its debt to equity ratio has from 2.9x in FY06 to 1.55x in FY10.

  The Company is experiencing improvement in operational margins owing to higher scale of operations and cost control measures.
- Experienced management team - The Company has many industry experts with several years of experience in the textile industry. Their sound management and knowledge has helped the Company to become so successful over the last few years.

(ii) Weakness

Mandhana imports various equipments for its facilities and the Company intends to import nearly 90% of the plant and machinery required from the proceeds of the issue, for which payment will be required to be made in foreign currency. Apart from that, more than 90% of the garments sales are exports. In the year 2009-10, the Company suffered a loss of Rs 17.35 crore on account of forex fluctuations on account of import of machinery.

The Management believes that this was a one-time loss, and has undertaken several measures to manage the forex transactions more expeditiously and in a more planned manner. Thus while the Company has both, foreign currency receivable and payables, thus acting as a natural hedge on both sides of the balance sheet, the Company is also entering into forward contracts and availing Packing Credit in Foreign Currency for its export sales as measures to mitigate currency risk. Quick turnaround time also protects the Company from currency fluctuations. Thus EBIDTA margins are expected to improve in the future as compared to last year.

(iii) Opportunity

- An increase in the disposable income levels of Indians will accelerate the growth of the textile and garments industry. Consumption of apparels is expected to be further boosted on account of growth in organised retailing and malls coming up in tier I and tier II cities.

  According to the Confederation of Indian Textile Industry (CITI), the potential size of the Indian textiles industry is expected to reach USD 110 billion by 2012.

- Successful completion of the IPO leading to low leverage offering further leveraging opportunities. Also, IPO funds will ensure expeditious implementation of expansion projects.

- Ongoing expansion projects in weaving and fabric processing to ensure higher degree of vertical integration thereby offering scope for improvement in profitability

(iv) Threats

- Like the rest of the industry, Mandhana faces higher competition from cost competitive countries such as- China, Bangladesh and Vietnam.

- Volatile global economic scenario especially European economy accounting for approx. 80% of total export sales, thus a huge potential threat to future growth in export segment.

- Unprecedented appreciation of US Dollar against Euro and British Pound. Approx. 65 % of the export sales are denominated in Euro and GBP thereby possibility of steep decline in sales realisations.

- Huge capital inflows into India also forcing Rupee to appreciate against USD thereby further threat to export realisations

5. FUTURE OUTLOOK

A report titled 'India 2020: Seeing, Beyond', published by a reputed domestic broking major in March 2010, stated that India's GDP is set to quadruple over the next ten years and the country is likely to become an over USD 4 trillion economy by 2020. Thus exponential growth is expected across all sectors including textiles and apparels.

With consumerism and disposable income on the incline, the retail sector has witnessed rapid growth in the past decade. Several international retailers are also focussing on India due to its emergence as a potential sourcing destination. Mandhana is geared up to capture this incredible opportunity.

For this the Company has outlined several sound strategies for the future. The Company will continue to improve upon its operational efficiencies by identifying separate cost centres so as to monitor each of the major costs. Raw material prices will be controlled through bulk purchases and negotiations with suppliers. Emphasis will be laid to control consumption and wastage through effective supervision of the shop floor.

Another important aspect in the future is the expansion of the geographical reach. The Company will continue to expand the geographical reach by exploring opportunities in other nations where value added textile products can be supplied. At the same time, tap domestic opportunities by getting sub-geographic penetration and product/market diversification.

One of the Company's main strength is its apparel design and product development. The Company will therefore continue to invest in the development of new designs and samples for fabrics and garments supported by in-house design studio cum sampling unit. In order to do this, the Company will continue to upgrade the design studios both in terms of human resources and technology. The Company is also looking at tapping the hi-end readymade garments segment which will help to maintain higher sales realisation for the final products.

The Company intends to take the garment business in the overseas market. To achieve this goal, the Company will enhance the garment manufacturing capacity from the current 36 Lacs pieces p.a to 83 Lacs pieces p.a. Mandhana has already diversified into women's wear in a planned manner and will continue to focus on this strategy.

As the economy begins to play out the India growth story, the Company is well poised to fully leverage its strengths across its entire value chain. Mandhana believes that it is well on its way to achieving its desired growth.

6. RISK MANAGEMENT

With the ever changing risks, especially in the current economic scenario, the need for a more formalised enterprise wide risk management cannot be over emphasised.

The Company ensures that the risks it assumes are commensurate with the returns. Further, risk management and mitigation are an integral part of decision making. There is an involvement of the highest level in the strategic risk management at the portfolio and the project level.

1. Economic Risk

   Any adverse change in the economic conditions of the country due to slowdown in the GDP growth, rise in interest rates, inflation, changes in tax, trade, fiscal and monetary policies, etc. could have an adverse effect on the business, financial condition and results of operations.

   The Indian economy showed great resilience after the global meltdown. Due to sustained domestic demand, India clocked a 7.4% growth. Thus, given the resilience of the economy in the face of recession, strong fundamentals including favourable demographics, rapid urbanisation, high savings rate, increasing domestic demand across all asset classes, etc. the Company does not expect to be significantly affected by this risk in the long term.

2. Policy Risk

   The Industry can get a setback in case of unfavourable Government policies for the sector or disapproval of the requisite licenses etc.

   The Company actively monitors the external environment, government policies and local market conditions. The Management believes that the next few years will witness a buoyant Indian economy. The Company will reap maximum benefit from Government incentives such as TUFS, increase in duty drawback/ DEPB and reduction in bank interest rate on working capital loan.

   Mandhana also requires certain statutory and regulatory permits and licenses to operate its business. The Company has duly applied for the same and has received the requisite permits.

3. Competition Risk

   The market the Company operates in is highly competitive with competition from local as well as national players. Mandhana also faces competition from both domestic and foreign companies each wanting a share in the same pie.

   The Company has good experience in textile industry which has helped it to develop a strong clientele base. Mandhana enjoys the confidence of customers because of its ability to offer in-house designs and samples, timely responsiveness, and capacity to cater various order sizes. Apart from long-term relationships with clients; high productivity, low labour costs, manufacturing flexibility and an experienced management team are some of the other strengths of the Company. Significant expansion of capacities are in the pipeline, with the Company moving up the value chain by offering higher value added products, thus creating a differential between itself and its competitors.

4. Fashion Risk

   This risk arises as the Company is in the fashion business where designs have a short shelf life.

   The Company takes special care to keep itself abreast with the prevailing world-class trends. The Company's focus on strengthening apparel design and product development with the help of an in-house, full-fledged, dedicated design studio cum sampling unit has helped the Company achieve higher average realisation per piece which is one of the best in the industry. Focus on the women-wear segment is also expected boost the company's revenues in coming years.

5. Labour Risk

   This risk arises from being a labour intensive business and consequently being exposed to the vagaries of the work force.

   The Company has tailored its human resource policy in such a way that it helps create a motivated work force. All of its units enjoy cordial industrial relations. The Company has not experienced any work stoppages or significant labour disruptions during its operational history and thus, it believes its exposure to this risk is limited.

7. INTERNAL CONTROLS AND SYSTEMS

In any industry, the processes and internal control systems play a critical role in ensuring the health of a company. Mandhana's well defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies, applicable laws, regulations and protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices.

The internal control systems are supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

The Management Information System provides timely and accurate information for effective control. Rigorous business planning as well as expense, capital and manpower budgeting processes ensure that progress is monitored against targets, and control is exercised on all major expenses, so that actual spending is in accordance with the budgets.

8. HUMAN RESOURCES

The Company believes that human resource is one of the most vital resource and key pillar providing the organisation a competitive edge in current business environment. The human resource development function of the Company is guided by a strong set of value and policies. Mandhana takes several measures for its employee's welfare. Mandhana recognises the importance of providing training and development opportunities to its employees to enhance their skills and knowledge, which in turn enables the Company to achieve its business objectives.

The Management understands that motivated and appropriately qualified employees are a key to the success of its business. The Company ensures a healthy, stable and professional working environment, where all employees are afforded opportunities to enhance their skills and move up a sound career path. The Company aims to become a preferred employer and employ best-in-class talent. To facilitate the same, it has a well drawn recruitment policy and a performance-based compensation policy which enable the employees to develop a sense of ownership towards the organisation.

As on 31st March, 2010, there were 4,327 employees on the Company's payroll.

9. FINANCIAL OVERVIEW

(i) Income: The Company recorded a total turnover of Rs. 62,522 lacs, as compared to Rs. 46,325 lacs for 2008-09, a growth of 34.96%.

(ii) EBIDTA: The Company's EBIDTA stood at Rs. 12,585.95 lacs against Rs. 8,471.00 lacs in 2008-09, an increase of 48.57%.

(iii) PAT: The Profit After Tax of the Company was Rs. 3,655.05 lacs in 2008-09. The PAT is Rs. 4,347.21 lacs, an increase of 18.93%.

The Company came out with an IPO of 83 Lacs shares of Rs 10 each in the month of April, 2010. The issue of Rs. 107.90 crore was oversubscribed 6.3 times with QIB category oversubscribed by more than seven times, HNI -11 times and retail - three times. The shares are listed on the BSE and NSE. The proceeds of the issue will be used for:-

- Setting up of a new garment manufacturing unit at MIDC, Tarapur, Maharashtra.
- Expansion of yarn dyeing and weaving facility at MIDC, Tarapur.
- Margin money for working capital.

10. DISCLAIMER CLAUSE

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

For and behalf of the Board of Director

PURUSHOTTAM C.MANDHANA
(Chairman and Managing Director)

Place : Mumbai
Dated : 13th August, 2010

CORPORATE GOVERNANCE REPORT

Company's philosophy on code of Corporate Governance

Corporate governance is a process, which safeguards and adds value in the long term for the various "associates" such as shareholders, creditors, customers, government and employees. The culmination of good corporate governance is and will be Transparency and professionalism relating to all the activities of the Company, responsive management to all its partners and implementation policies and procedures laid down by the Company to ensure high ethical standards in all its partners and fulfilling corporate social obligations and responsibilities.

I. BOARD OF DIRECTORS

Composition:

The strength of Board of Directors as at 31st March, 2010 was eight. The Board of Directors comprises of Executive Directors and Non Executive Directors including independent Directors. The Board is headed by an Executive Chairman and Managing Director. Two promoter Directors are executive Directors. There are Five Non Executive Directors of which four are considered Independent Directors. The Non-Executive Directors are accomplished professionals in their respective fields of expertise.

Category of Directors, other Directorships and Committee Membership:

The following table gives the detail of category of Directors and the number of other Directorship and Committee Membership as on 31st March, 2010.

Name of the Director	Category of Director	Number of other Directorship held (includes private Companies)	Number of Committee memberships in domestic Companies (including this Company)	
			As Chairman	As Member
Mr. Purushottam C. Mandhana	Executive Chairman	6	—	1
Mr. Biharilal C. Mandhana	Executive	2	—	—
Mr. Manish B. Mandhana	Executive	3	—	1
Mr. Ghyanendra Nath Bajpai	Non- executive and Independent	20	4	9
Mr. Sanjay K. Asher	Non- executive	31	5	10
Mr. Ernst Robin Cornelius	Non- executive and Independent	—	—	—
Mr. Khurshed M. Thanawalla	Non- executive and Independent	17	3	6
Mr. Ajay J. Joshi	Non- executive and Independent	1	—	1

N.B.: In accordance with Clause 49, Membership/Chairmanship of the only the Audit Committees and Shareholders/Investors' Grievances, Share Allotment and Transfer Committees of all the Public Limited Companies have been considered.

The Board met 4 times during the financial year under review on the following dates:

(1) 20th May, 2009 (2) 24th July, 2009 (3) 22nd October, 2009 (4) 11th February, 2010

Attendance

The following table gives the number of Board Meeting attended during financial year 2009-10 and attendance at the last Annual General Meeting (AGM).

Name of the Director	Number of Board Meetings attended	Attendance at the last AGM held on 19th August, 2009
Mr. Purushottam C. Mandhana	4	Yes
Mr. Biharilal C. Mandhana	3	Yes
Mr. Manish B. Mandhana	4	Yes
Mr. Ghyanendra Nath Bajpai	3	Yes
Mr. Sanjay K. Asher	3	Yes
Mr. Ernst Robin Cornelius	0	No
Mr. Khurshed M. Thanawalla	3	Yes
Mr. Ajay J. Joshi	1	No

Code of Conduct

The Company is in process of preparing and approving the code of conduct for Directors and Senior Management of the Company and code of conduct for prevention of insider trading and the same will be approved shortly.

Remuneration of Directors

Remuneration paid/payable to the Directors for the year ended 31st March, 2010:-

Name of the Director	Salaries and Perquisites	Commission	Sitting Fees	Total
Mr. Purushottam C. Mandhana	Rs. 145,08,000/-	Nil	Nil	Rs. 145,08,000/-
Mr. Biharilal C. Mandhana	Rs. 36,72,000/-	Nil	Nil	Rs. 36,72,000/-
Mr. Manish B. Mandhana	Rs. 109,44,000/-	Nil	Nil	Rs. 109,44,000/-
Mr. Ghyanendra Nath Bajpai	Nil	Nil	Rs. 1,00,000/-	Rs. 1,00,000/-
Mr. Sanjay K. Asher	Nil	Nil	Rs. 90,000/-	Rs. 90,000/-
Mr. Ernst Robin Cornelius	Nil	Nil	Nil	Nil
Mr. Khurshed M. Thanawalla	Nil	Nil	Rs. 1,30,000/-	Rs. 1,30,000/-
Mr. Ajay J. Joshi	Nil	Nil	Rs. 50,000/-	Rs. 50,000/-

Notes:

1. The agreement with Managing Directors and Executive Director is for a period of 3 (Three) years
2. The Company does not pay any remuneration to the Non-Executive Directors except sitting fees @ Rs.20,000/- for each meeting of the Board of Directors attended and Rs.10,000/- for each meeting of Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances, Share Allotment and transfer Committee attended.

Disclosure regarding Directors seeking re-appointment at the ensuing Annual General Meeting :-

1. **Mr. Khurshed M. Thanawalla,** Age 67, holds a Bachelors degree in Commerce from Mumbai University He is Fellow member of Institute of Chartered Secretaries and Administrators of London and is also a Fellow of the British Institute of Management and Associate of Textile Institute, UK. He was responsible for setting up and managing textile ventures in Kenya and Indonesia between 1965 and 1984. He was the Managing Director of Barmag India Private Limited which in 2004 was renamed as Saurer India Private Limited and then in 2007 was renamed as Oerlikon Textile India Private Limited on Saurer having been taken over by OC Oerlikon Corporation AG. He is currently Managing Director of Oerlikon Textile India Private Limited and is also the Country President-India for the Oerlikon Group.

   Mr.Khurshed M.Thanawalla is also a Director of Schlafhorst Engineering (India) Limited; Stovec Industries Limited; Varun Shipping Company Limited; Bimag Machines Private Limited; Oerlikon Textile India Private Limited; Oerlikon Textile Components India Private Limited; Zinser Textile Systems Private Limited; Allma Machines Private Limited; Volkmann Machines Private Limited; Neumag Machines Private Limited; Barmag Machines Private Limired; Indo Fill Elastomer Private Limited; Peass Industrial Engineers Limited; Ahura Holdings Private Limited; Giribala Properties Private Limited; Master Voss International Projects Private Limited; and Schalfhorst Machines Private Limited.

   Mr.Khurshed M.Thanawalla is the Chairman of the Audit Committee & Shareholders'/Investor Grievances, Share Allotment and Transfer Committee and is a member of the Remuneration Committee of the Board of Directors of the Company.

Mr.Khurshed M.Thanawalla is also on the committee of Board mentioned hereunder :

Name of the Company	Name of the Committee	Position held
Schlafhorst Engineering (India) Limited	i. Investor Grievance Committee ii. Audit Committee iii. Managerial Remuneration Committee	Chairman Member Member
Stovec Industries Limited	i. Audit Committee ii. Remuneration Committee iii. Shareholder Grievance Committee	Chairman Chairman Member
Varun Shipping Company Limited	i. Acquisition Committee	Member

Mr. Khurshed M.Thanawalla does not hold any shares of the Company.

2. **Mr. Ajay Joshi,** Age 52, holds a Bachelors degree of Economics from University of Delhi. He holds a fellowship of the Institute of Cost and Works Accountants of India. He was Senior Manager of the Finance Department of ISMT Limited. Later on he joined Alfa Laval India Limited as the Chief Financial Officer and then was appointed on the Board of Directors from February 2000to October 2007. Mr. Ajay Joshi has promoted ValueQb Consulting Private Limited to provide consulting services on Finance, Risk and Business Process.

Mr.Ajay Joshi is also a Director of ValueQb Consulting Private Limited

Mr.Ajay Joshi is the member of the Audit Committee; Shareholders'/Investor Grievances, Share Allotment and Transfer Committee & the Remuneration Committee of the Board of Directors of the Company.

Mr.Ajay Joshi is not the committee member of any other Companies.

Mr. Ajay Joshi does not hold any shares of the Company.

II. AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee comprises of four Non-Executive Directors and One Executive Director as on 31st March, 2010:-

Sr. No.	Name	Position
1.	Mr. Khurshed M. Thanawalla, Non-Executive & Independent Director	Chairman
2.	Mr. Ghyanendra Nath Bajpai, Non-Executive & Independent Director	Member
3.	Mr. Sanjay K. Asher, Non-Executive	Member
4.	Mr. Ajay Joshi, Non-Executive & Independent Director	Member
5.	Mr. Purushottam C. Mandhana, Chairman & Managing Director	Member

Mr.Khurshed M. Thanawalla, Chairman of the Audit Committee possesses the requisite accounting and financial knowledge.

Mr. Vinay Sampat, Company Secretary, is the Secretary to the Audit Committee.

The minutes of the Audit Committee Meeting are noted by the Board of Directors of the Company in the subsequent Board Meetings.

Meetings and attendance during the year

There were three meetings of the Audit Committee held during the year on (1) 20th May, 2009; (2) 24th July, 2009 and (3) 11th February 2010 respectively.

Name of the Director	Number of Audit Committee Meetings attended
Mr. Khurshed M. Thanawalla	3
Mr. Ghyanendra Nath Bajpai	3
Mr. Sanjay K. Asher	2
Mr. Ajay J. Joshi	1
Mr. Purushottam C. Mandhana	3

The Statutory Auditors, Joint Managing Director and Senior Finance Personnel are permanent invitees to the meetings of the Committee.

Terms of Reference

The Power and the terms of the Audit Committee are as stated herein below:

(A) Powers of the Audit Committee:

1. To investigate any activity of within its terms of reference.
2. To seek information from any employee
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(B) Role of the Audit Committee:

1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4) Appointment, removal and terms of remuneration of internal auditors
5) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to the financial statements;
   - Disclosure of any related party transactions;
   - Qualifications in the draft audit report.
6) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
7) Monitoring the use of proceeds of the proposed Initial Public Offering of our Company.
8) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9) 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.
10) Discussions with internal auditors on any significant findings and follow up thereon.
11) Reviewing internal audit reports and adequacy of the internal control systems.
12) 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.
13) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
14) Discussion with internal auditors 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 nonpayment of declared dividends) and creditors.
18) To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
19) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

(C) **Board disclosures- Risk management:**

The Company shall lay down procedures to inform the Board about the risk assessment and minimize risk by means of properly defined risk management frame work.

The terms of reference of the Audit Committee are in accordance with Section 292 of the Companies Act, 1956 and Clause 49 of the listing agreement. The Committee acts as a link between the Management, Auditors and Board of Directors of the Company and has full access to the financial information.

Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.

III. REMUNERATION COMMITTEE

Composition of the Remuneration Committee

The Remuneration Committee comprises of four Non-Executive Directors as on 31st March, 2010:-

Sr.No.	Name	Position
1.	Mr. Ghyanendra Nath Bajpai, Non-Executive & Independent Director	Chairman
2.	Mr. Khurshed M.Thanawalla, Non-Executive & Independent Director	Member
3.	Mr. Sanjay K.Asher, Non-Executive Director	Member
4.	Mr. Ajay Joshi, Non-Executive & Independent Director	Member

All the members of the Remuneration Committee are Non-Executive Directors

Mr. Vinay Sampat, Company Secretary, is the Secretary to the Remuneration Committee.

The minutes of the Remuneration Committee Meeting are noted by the Board of Directors of the Company in the subsequent Board Meetings.

Meeting and attendance during the year

The Remuneration Committee met once during the year on 11th February, 2010. All the members of the Committee, except Mr.Ajay Joshi attended the said meeting

Terms of Reference

a. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time/Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

b. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment;

c. To implement, supervise and administer any share or stock option scheme of the Company

IV. SHAREHOLDERS/INVESTORS GRIEVANCES, SHARE ALLOTMENT AND TRANSFER COMMITTEE

In compliance with the requirement of the Corporate Governance under the listing agreement, the Company has constituted a "Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee" to look into issues relating to shareholders including share transfers.

Composition of the Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee

The Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee comprises of Two Non-Executive Directors and One Executive Director, as on 31st March, 2010:-

Sr. No.	Name	Position
1.	Mr. Khurshed M.Thanawalla, Non-Executive & Independent Director	Chairman
2.	Mr. Ajay.J.Joshi, Non-Executive & Independent Director	Member
3.	Mr. Manish B.Mandhana, Executive Director	Member

The minutes of the Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee Meeting are noted by the Board of Directors of the Company in the subsequent Board Meetings.

Mr. Vinay Sampat, Company Secretary is the Secretary to the Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee and is also been designated as the Compliance Officer of the Company.

There were five meeting of the Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee held during the year on (1) 7th July, 2009, (2) 21st August, 2009 (3) 15th September, 2009, (4) 16th October, 2009 and (5) 7th November, 2009 respectively.

During the year the Company did not receive any Complaints from the Shareholders.

There are no pending cases of share transfer as on 31st March, 2010.

As per revised Clause 47(F) of the Listing Agreement, the e.mail ID of the Investor Grievances Department of the Company is cs@mandhana.com

Terms of Reference

1) Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
2) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
3) Issue of duplicate/split/consolidated share certificates;
4) Allotment and listing of shares;
5) Review of cases for refusal of transfer/transmission of shares and debentures;
6) Reference to statutory and regulatory authorities regarding investor grievances; and
7) Ensure proper and timely attendance and redressal of investor queries and grievances.

V. SUBSIDIARY COMPANY(IES)

The Company does not have any subsidiary Company(ies).

VI. GENERAL BODY MEETINGS

a) Particulars of the Annual General Meetings for the last three years:-

Particulars	Date	Venue	Time	Details of Special Resolutions passed
23rd AGM (2006-07)	23rd July, 2007	205-214, Peninsula Centre,Dr.S.S.Rao Road,Parel, Mumbai - 400 012.	11.30 a.m.	No Special resolutions passed.
24th AGM (2007-08)	29th September, 2008	205-214, Peninsula Centre, Dr.S.S.Rao Road, Parel, Mumbai - 400 012.	11.00 a.m.	No Special resolutions passed.
25th AGM (2009-10)	19th August, 2009	205-214, Peninsula Centre, Dr.S.S.Rao Road, Parel, Mumbai - 400 012.	11.00 a.m.	No Special resolutions passed.

b) Particulars of the Extra-ordinary General Meeting

Date	Venue	Time	Details of Special Resolutions passed
04th August, 2009	205-214, Peninsula Centre, Dr.S.S.Rao Road, Parel, Mumbai - 400 012.	11:00 am	i. Increase of Authorised Share Capital of the Company from Rs.20 Crores to Rs.40 Crores. ii. Issue of Bonus Shares of the Company in the ratio 1 : 1. iii. Issue of Securities under preferential allotment u/s 81(1A). iv. Issue of Securities through the I.P.O. under Section 81(1A).
10th March, 2010	205-214, Peninsula Centre, Dr.S.S.Rao Road, Parel, Mumbai - 400 012.	11:00 am	i. Change of Registered Office of the Company within the State.

c) Postal ballot :-

During the year, no resolution was passed through postal ballot in accordance with Section 192A of the Companies Act, 1956. and at the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

VII. DISCLOSURES

During the year under review, besides the transaction reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, Directors and the Management that has a potential conflict with the interest of the Company at large.

All the transactions with related parties are periodically placed before the Audit Committee. Transaction with related parties, as per requirements of Accounting Standards 18, are disclosed in Schedule 21, note no.13 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

No strictures/penalties have been imposed on the Company by any Statutory authorities on any matters relating to the capital markets during the last 3 years

VIII. MEANS OF COMMUNICATION

The Company being an unlisted Company as on 31st March, 2010 did not publish its quarterly results in any newspapers circulating in India and did not display the quarterly results on its website. The Company however will henceforth publish its quarterly/ half yearly and yearly results in the Economic Times (English) and Maharashtra Times. The Financial Results of the Company will also be posted on its website namely : www.mandhana.com

The Company has not made any presentation to institutional investors or equity analysts.

IX. GENERAL SHAREHOLDING INFORMATION :

1.	Annual General Meeting			
	-	Date and Time	:	27th September, 2010 at 11.30 a.m
	-	Venue	:	Plot No.C-3, M.I.D.C, Tarapur Industrial Area, Boisar, Dist : Thane 401 506.
2.	Financial Calendar (tentative)		:	
	a)	Annual Results (Audited)	:	May/June
	b)	Unaudited First Quarter Results	:	July/August
	c)	Annual General Meeting	:	September
	d)	Unaudited Second Quarter Results	:	October/November
	e)	Unaudited Third Quarter Results	:	January/February
3.	Face Value of equity Shares		:	Rs.10/- per equity share
4.	Date of Book Closure		:	18th September, 2010 to 27th September, 2010 (both days inclusive)
5.	Dividend Payment Date		:	Interim Dividend for the year 2009-10 was paid on 19th February, 2010 and the Final Dividend for 2009-10 will be paid on or before 5th October, 2010
6.	Listing on Stock Exchanges		:	As on 31st March, 2010 the Equity Shares of the Company were not Listed on any recognized Stock Exchange in India

Note : The Company after its Initial Public Offer has listed its equity shares on the Bombay Stock Exchange and the National Stock Exchange of India Limited w.e.f. 19th May, 2010

7.	Stock Code/ Symbol			
	–	ISIN	:	INE087J01010
	–	Script Code for BSE	:	533204
	–	Script ID for NSE	:	MANDHANA
8.	Market price Date		:	Not Applicable as the Equity Shares of the Company were listed on 19th May, 2010.

9. Registrar and Transfer Agents : Link Intime India Private Limited (Unit : Mandhana Industries Limited)
C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078.
Tel : 022 – 2594 6970, Fax :022 - 2594 6969
E.mail : rnt.helpdesk@linkintime.co.in
www.linkintime.co.in

10. Share Transfer system :

Link Intime India Private Limited is the Registrar and Transfer Agents of the Company. Transfer of shares are approved by the Board of Directors or the Shareholders'/ Investors' Grievances, Share Allotment and Transfer Committee which meets at opportune time and if the documents are complete and in order, in all respects, the same are registered and returned to the transferees within the stipulated time.

11. Dematerlisation of shares

The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Link Intime India Private Limited to offer depository services to its shareholders and has paid respective charges for the benefit of the members.

12. (a) Distribution of Shareholding as on 31st March, 2010

No. of Shares	No. of Holders	% of Shareholders	No. of Shares	% of Shareholding
1 - 500	27	15.52	6340	0.026
501 – 1,000	28	16.09	26500	0.107
1,001 – 2,000	38	21.84	74700	0.301
2,001 – 3,000	5	2.87	14400	0.058
3,001 – 4,000	11	6.32	44000	0.177\
4,001 – 5,000	3	1.72	15000	0.060\
5,001 – 10,000	20	11.50	175400	0.707
10,001 & Above	42	24.14	24467573	98.564
TOTAL	**174**	**100.00**	**24823913**	**100.00**

(b) Shareholding pattern as on 31st March, 2010

Sr. No.	Shareholders	Number of Shares held	% shareholding
1	Promoters, Relatives & Group Cos.	2,06,07,660	83.02
2	Non-Executive Directors	60,000	0.24
3	F.I.I s / Banks	21,73,913	8.76
4	Body Corporates	4,98,000	2.01
5	Resident Indians	14,84,340	5.97
	Total	**2,48,23,913**	**100.00**

(c) Dematerialisation of shares and liquidity.

The Company has executed agreement with both the depositories of the country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of securities under dematerialized mode. Though the Company was not listed as on 31st March, 2010, 24,74,913/ - equity shares representing 9.97% are in dematerialized form as on 31st March, 2010

X. STATUS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON MANDATORY REQUIREMENTS :

i. The Company, being an unlisted public limited company as on 31st March, 2010, did not attract provisions of Clause 49 of the Listing agreement. However the Company complies with most of the mandatory provisions of Clause 49 of the listing agreement and will be fully compliant with all the mandatory conditions as required under clause 49 of the listing agreement in the current fiscal..

ii. Adoption/non-adoption of non mandatory requirement as on 31st March, 2010.

(a) The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilized by him for discharging his duties as a Chairman. No separate office is maintained for the non-executive Chairman of the Audit Committee, Remuneration Committee and the Shareholder/Investor Grievances, Share Allotment and Transfer Committee but secretarial and other assistance is provided to them whenever needed, to enable them to discharge their responsibility effectively.

(b) The Company has not adopted the requirement of Independent Directors tenure not to exceed a period of nine years on the Board of the Company.

(c) The Company has set up a Remuneration Committee consisting of Three Non-Executive Directors and Independent Directors and One Non-Executive Director of the Company.

(d) The Board of Directors of the Company consist of an optimum blend of Company Executives and independent professionals having in-depth expertise of the Textile and Garment and expertise in their specific area of specialization.

(e) Presently, the Company does not have a system for evaluating its Non-Executives Directors by peer group comprising of the entire Board of Directors as the Non-Executive members are highly qualified professionals.

(f) Presently the Company does not have a whistle blower policy in place.

(g) The Board is kept informed about the risk management being followed by the Company from time to time. All risks assessed have been adequately insured.

XI. ADDRESS FOR CORRESPONDENCE

M/s Link Intime India Private Limited
(Unit : Mandhana Industries Limited)
C/13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W), Mumbai 400 078.
Tel : 022 – 2594 6970
Fax : 022 - 2594 6969
E.mail : rnt.helpdesk@linkintime.co.in
www.linkintime.co.in

The Company Secretary,
Mandhana Industries Limited
205-214, Peninsula Centre,
Dr.S.S.Rao Road, Mumbai 400 012.
Tel : 022 – 4353 9191
Fax : 022 – 4353 9358
e.mail : cs@mandhana.com

For and behalf of the Board of Director

Place: Mumbai
Dated : 13th August, 2010

PURUSHOTTAM C.MANDHANA
(Chairman and Managing Director)

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,

The Board of Directors,

Mandhana Industries Limited

I, undersigned in my capacity as Managing Director and Chief Financial Officer of Mandhana Industries Limited ("The Company"), to the best of my knowledge and belief certify that :

a) I have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2010 and based on my knowledge and belief :

   i. these statements do not contain any materially untrue statements 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 affair and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.

b) I further state that to the best of our knowledge and belief, that there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative..

c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the designs or operations of such internal controls, if any, of which they are aware and the steps I have taken or proposed to take to rectify the deficiencies.

d) I have indicated, wherever applicable to the Auditors and Audit Committee :

   i. significant changes, if nay, in the internal control over financial reporting during the year;

   ii. significant changes, if any, in the accounting policies made 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 I have become aware and 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 **MANDHANA INDUSTRIES LIMITED**

Place : 15th June, 2010
Date : Mumbai

PURUSHOTTAM C. MANDHANA
(Chairman and Managing Director)

AUDITORS' REPORT

TO,

THE MEMBERS OF MANDHANA INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **MANDHANA INDUSTRIES LIMITED** as at 31st March, 2010 and the Profit & Loss Account and cash flow statement of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's report) (Amendment) Order, 2004 (together the "order") issued by the Central Government of India in terms of sub section (4A) of section 227 of The Companies Act, 1956 ('the Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph (3) above we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of accounts of the Company;

   c) The Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account of the Company;

   d) In our opinion, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply in all material respects with the mandatory Accounting Standards referred in section 211(3C) of the Companies Act, 1956;

   e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director under Section 274(1) (g) of the Companies Act, 1956.

   f) In our opinion, and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and

      ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.

      iii) In the case of the Cash flow Statement, of the cash flow for the year ended on that date.

For **VISHAL H. SHAH & ASSOCIATES**
CHARTERED ACCOUNTANTS

VISHAL H. SHAH
PROPRIETOR
Membership No.-101231

Place : MUMBAI
Date : 15th June, 2010

ANNEXURE REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MANDHANA INDUSTRIES LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2010

On the basis of such checks as we have considered appropriate and in the terms of information and explanations given to us we report that:

I. (a) The records showing full particulars including quantitative details and situation of fixed assets except for details of new addition which are under completion, have been maintained.

(b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed Assets during the year and the going concern status of the Company is not affected.

II. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

(c) The company is maintaining proper records of inventory for fabric ,weaving and shirting *divisions* and is in the process of further strengthening of inventory records for its garment division. *The discrepancies noticed on physical verification of stocks as compared to book records were not material in relation to the operations of the Company and have been properly dealt with in the books of accounts.*

III. (a) The Company has granted an interest free, repayable on demand loan to one Partnership concern covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs. 1497.85 Lacs and the year-end balance of loans granted to the party was NIL. Other terms and conditions were not prima facie prejudicial to the interests of the company.

(b) The company has taken an interest free, repayable on demand loan from one partnership concern covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs.499.50 lacs and the year-end balance of loans taken from the party was NIL.

(c) The other terms and conditions of loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.

IV. There are adequate internal control systems commensurate with the size of the company and nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

V. (a) The transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) The transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of The Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at reasonable prices having regards to prevailing market price at the relevant time.

VI. The company has not accepted deposits from the public in contravention of the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975.

VII. The company has established an internal audit system in it garment units at Bangalore and same is being extended to all other locations where the company has operations

VIII. The company has not maintained the prescribed accounts and records pursuant to the rules made by Central government for the maintenance of cost records u/s 209 (1)(d) of the Companies Act, 1956.

IX. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

(b) The aggregated disputed statutory dues under Income Tax Act is amounting to Rs. 103.28 lacs. The disputed statutory dues under the Central Excise Act are Rs. 333.51 Lacs out of which a sum of Rs. 42.93 Lacs has been paid by the Company. Various matters pending before appropriate authorities are as under:

Sr. No.	Name of the statute	Nature of the Dues	Amount (Rs. In Lacs)	Related Period	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	13.64	A.Y-1999-00	Bombay High Court
2	Income Tax Act, 1961	Income Tax	35.18	A.Y-2004-05	Income Tax Appellate Tribunal
3	Income Tax Act, 1961	Income Tax	10.50	A.Y-2005-06	Income Tax Appellate Tribunal
4	Income Tax Act, 1961	Income Tax	13.61	A.Y-2006-07	Income Tax Appellate Tribunal
5	Income Tax Act, 1961	Income Tax	30.35	A.Y-2007-08	Income Tax Appellate Tribunal
6	Central Excise Act, 1944	Excise Duty	290.58	May'01 to May'03	Mumbai High Court & Settlement Commission

X. There are no accumulated losses at the end of the financial year. The company has also not suffered any cash losses during the period covered by the audit and also in the preceding period.

XI. The company has not defaulted in repayment of dues to any financial institution or bank.

XII. During the year under review, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

XIV. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

XV. The Company has not given any guarantee for loans taken by others from bank or financial institutions.

XVI. The term loans were applied for the purpose for which they were obtained.

XVII. On an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.

XVIII. During the year under review, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

XIX. During the year under review, the company has not issued any debentures.

XX. During the year under review, the company has not raised any money by way of public issue.

XXI. No fraud on or by the company has been noticed or reported during the year.

For **VISHAL H. SHAH & ASSOCIATES**
CHARTERED ACCOUNTANTS

VISHAL H. SHAH
PROPRIETOR
Membership No.-101231

Place : MUMBAI
Date : 15th June, 2010

CERTIFICATE

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

To

The Members of Mandhana Industries Limited

We have examined the compliance of conditions of Corporate Governance by Mandhana Industries Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

Mandhana Industries Limited was an unlisted entity as on 31st March, 2010. The Company came out with its Initial Public Offering on 27th April, 2010 to 29th April, 2010. The Company was listed with the Bombay Stock Exchange and National Stock Exchange on 19th May, 2010.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 for the year ended 31st March, 2010 except for Clauses 49 (I) (D), 49 (IV) (C) and 49 (VII). Since the Company was an unlisted entity as on 31st March, 2010, non-compliance with the aforesaid Clauses does not violate the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance, Share Allotment and Transfer Committee.

We further state that our examination of 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 VISHAL H. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

VISHAL H. SHAH
PROPRIETOR
Membership No.-101231
FRN : 116422W

Place : MUMBAI
Date : 15th June, 2010

Balance Sheet as at 31st March, 2010

(Rs. in Lacs)

PARTICULARS	Schedule No.	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
A. SHAREHOLDERS' FUNDS			
Share Capital	1	2,482.39	1,132.50
Reserves & Surplus	2	16,851.66	12,210.54
		19,334.05	13,343.04
B. LOAN FUNDS			
Secured Loans	3	38,198.61	30,534.89
Unsecured Loans	4	3,223.92	1,281.64
		41,422.53	31,816.53
C. DEFERRED TAX LIABILITY		4,966.98	3,616.13
TOTAL		65,723.56	48,775.70
APPLICATION OF FUNDS			
A. FIXED ASSETS			
Gross Block	5	42,294.48	36,030.36
Less: Depreciation		5,787.72	4,066.23
Net Block		36,506.76	31,964.13
Add : Capital work in progress		277.13	—
		36,783.89	31,964.13
B. INVESTMENTS	6	0.05	0.05
C. CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	18,374.92	13,726.06
Sundry Debtors	8	9,451.90	4,078.09
Cash & Bank Balances	9	189.77	559.30
Loans & Advances	10	5,720.76	4,660.26
TOTAL	(A)	33,737.34	23,023.72
Less : Current Liabilities & Provisions			
Current Liabilities	11	4,062.39	5,894.83
Provisions	12	735.34	317.37
TOTAL	(B)	4,797.72	6,212.20
Net Current Assets	(A-B)	28,939.62	16,811.52
TOTAL		65,723.56	48,775.70
Notes to Accounts	21		

The Schedules referred to above and notes to the accounts annexed hereto are integral part of the Balance Sheet and Profit & Loss Account

AS PER OUR REPORT OF EVEN DATE ATTACHED
VISHAL H. SHAH & ASSOCIATES
Chartered Accountants

Vishal H. Shah
Proprietor

Mumbai, Date : 15th June, 2010

FOR MANDHANA INDUSTRIES LIMITED

Purushottam C. Mandhana
Chairman & Managing Director

Biharilal C. Mandhana
Director

Manish B. Mandhana
Joint Managing Director

Vinay Sampat
Company Secretary

Profit and Loss Account for the period ended on 31st March, 2010

(Rs. in Lacs)

PARTICULARS	Schedule No.	For Y.E. 31st March, 2010	For Y.E. 31st March, 2009
INCOME			
Sales & Processing Charges	13	62,521.64	46,325.17
Other Income	14	(1528.24)	(324.53)
Increase in Stock	15	3,545.68	1,223.07
TOTAL		64,539.08	47,223.71
EXPENDITURE			
Raw Material Consumed & Cost of goods Traded	16	43,963.78	30,312.18
Manufacturing & other Expenses	17	3,851.43	3,507.17
Employment Cost	18	3,412.52	2,872.72
Administrative & Other Expenses	19	2,253.63	2,060.46
Interest	20	2,671.95	1,757.14
Depreciation	5	1,725.76	1,109.54
TOTAL		57,879.08	41,619.22
PROFIT BEFORE TAXATION		6,660.00	5,604.49
Less : Current Tax		1,174.58	645.40
MAT Receivable		(212.64)	(15.05)
Deferred Tax		1,350.85	1,285.31
Fringe Benefit Tax		—	33.78
		4,347.21	3,655.05
Less : Income Tax for earlier Year		7.13	(1.37)
		4,340.08	3,656.42
Add : Balance of Profit of Previous Year		9,834.74	6,919.81
PROFIT AVAILABLE FOR APPROPRIATION		14,174.82	10,576.23
APPROPRIATIONS			
Dividend Paid		496.67	249.15
Corporate Dividend Tax Paid		84.41	42.34
Transfer to General Reserve		400.00	450.00
Balance carried to Balance Sheet		13,193.74	9,834.74
TOTAL		14,174.82	10,576.23
Annualised Earning Per Share (Refer Note No.11 of shedule 21)			
Basic EPS (Rs.)		18.24	16.14
Diluted EPS (Rs.)		18.24	16.14
Notes to Accounts	21		

The Schedules referred to above and notes to the accounts annexed hereto are integral part of the Balance Sheet and Profit & Loss Account

AS PER OUR REPORT OF EVEN DATE ATTACHED
VISHAL H. SHAH & ASSOCIATES
Chartered Accountants

Vishal H. Shah
Proprietor

Mumbai, Date : 15th June, 2010

FOR MANDHANA INDUSTRIES LIMITED

Purushottam C. Mandhana
Chairman & Managing Director

Biharilal C. Mandhana
Director

Manish B. Mandhana
Joint Managing Director

Vinay Sampat
Company Secretary

Cash Flow Statement for the Period From 1/4/2009 To 31/03/2010

(Rs. in Lacs)

PARTICULARS	Current Year		Previous Year	
Cash Flows from Operating Activities				
Net Profit before taxation and extraordinary item	6,660.00		5,604.49	
Adjustments for:				
Depreciation charged to Profit & Loss A/c	1,725.76		1,109.54	
Capital expenditure on rented premises w/off	—		0.71	
Land premium w/off	10.68		10.68	
Loss on sale of fixed assets	14.98		4.58	
Profit on sale of fixed assets	—		(2.22)	
Interest Expenses	2,671.95		1,757.14	
Operating profit before working capital changes	11,083.37		8,484.92	
Decrease (Increase) in Inventories	(4,648.85)		(4,689.83)	
Decrease (increase) in Debtors	(5,373.81)		(931.31)	
Decrease (Increase) in Advances & Deposits	(167.87)		755.04	
(Decrease) Increase in Creditors	(1,834.49)		1,476.53	
(Decrease) Increase in other liabilities	(23.94)		1,465.81	
Cash generated from operations	(965.58)		6,561.17	
Income Tax Paid	(551.10)		(1,351.86)	
Net cash flow from / (used in) operating activities		(1,516.69)		5,209.31
Cash flows from investing activities				
Purchase of fixed assets	(7,550.73)		(11,732.13)	
Proceeds from sales of fixed assets	86.92		247.19	
FD placed with banks	(45.01)		1.00	
Net cash from / (used in) investing activities		(7,508.82)		(11,483.95)
Cash flow from financing activities				
Increase in share capital	217.39		—	
Increase in long term borrowings (Net)	8,295.90		5,761.39	
Increase (Decrease) in Share Premium	2,282.61		—	
Increase (Decrease) in Working Capital finance	(632.18)		3,312.58	
Increase (Decrease) in Bank overdraft	25.99		(478.49)	
Miscellaneous Expenditure	(267.99)		—	
Increase (Decrease) in unsecured loans	1,942.28		(19.55)	
Dividend Paid (inclusive of dividend tax)	(581.08)		(198.75)	
Interest paid	(2,671.95)		(1,757.14)	
Net cash from / (used in) financing activities		8,610.96		6,620.04
Net increase in cash and cash equivalents		(414.54)		345.40
Cash & cash equivalents at the beginning		559.20		213.80
cash & cash equivalents at the end (As per note)		144.66		559.20
		(414.54)		345.40

The Cash Flow Statement Has Been Prepared In Accordance With The Requirement of Accounting Standard As - 3 "Cash Flow Statement" Issued By The Institute of Chartered Accountants of India.

AS PER OUR REPORT OF EVEN DATE ATTACHED
VISHAL H. SHAH & ASSOCIATES
Chartered Accountants

Vishal H. Shah
Proprietor

Mumbai, Date : 15th June, 2010

FOR MANDHANA INDUSTRIES LIMITED

Purushottam C. Mandhana
Chairman & Managing Director

Biharilal C. Mandhana
Director

Manish B. Mandhana
Joint Managing Director

Vinay Sampat
Company Secretary

Schedules Forming Part of Balance Sheet as at 31.03.2010 and Profit & Loss Account for the period ended on that date

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
3,99,90000 Equity Shares of Rs.10/- each	3,999.00	—
(Previous Year 1,99,90000 Equity Shares of Rs.10/- each)	—	1,999.00
10,000 preference shares of Rs. 10 /- each	1.00	1.00
TOTAL	4,000.00	2,000.00
ISSUED, SUBSCRIBED & PAID UP		
(2,48,23,913 Equity Shares of Rs. 10/- each fully paid)	2,482.39	—
(Out of above 1,13,25,000 Share are issued as Bonus Share @1:1)		
(1,13,25,000 Equity Shares of Rs. 10/- each fully paid)	—	1,132.50
TOTAL	2,482.39	1,132.50
SCHEDULE "2"		
RESERVES AND SURPLUS		
A. Capital Reserve	25.00	25.00
(Special Capital Incentive)		
B. Share Premium	1,235.83	1,235.83
Add: Addition during the year	2,282.61	—
Total Share Premium	3,518.44	—
Less: Utilised for Bonus Issue	1,132.50	—
Less: Miscellaneous Expenditure adjusted (Refer Note No. K)	267.99	—
	2,117.95	1,235.83
C. General Reserve		
a) Balance as per last Balance Sheet	1,114.97	664.97
b) Addition during the year	400.00	450.00
Sub Total (a+b)	1,514.97	1,114.97
D. Surplus i.e Balance in Profit & Loss Account	13,193.74	9,834.74
TOTAL	16,851.66	12,210.54

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "3"		
SECURED LOANS		
TERM LOAN		
A. Industrial Development Bank of India (Hypothecation of Flat at Challenger Tower)	—	8.87
B. Corporation Bank (Hypothecation of Fixed Assets except vehicles at Peenya Ind. Area, Bangalore and Vikroli, Mumbai)	1,345.94	1,696.81
C. State Bank of Patiala (Hypothecation of Plant & Machinery & Mortage of immovable properties at C-2, MIDC, Tarapur)	7,983.40	8,244.30
D. Andhra Bank (Hypothecation of Plant & Machinery installed at plot E 25/ E33 MIDC, Tarapur & mortgage of immovable properties at Tarapur Plot E-25, & E-33)	150.84	313.18
E. Bank of Maharastra (Hypothecation of Plant & Machinery & Mortage of immovable properties at E-25, MIDC, Tarapur)	2,150.97	2,331.79
F. Axis Bank	5,000.00	4,642.07
Bank of Baroda	5,680.18	811.24
Indian Bank	1,250.00	1,249.48
Punjab National Bank	4,233.31	1,125.83
State Bank of India (Erstwhile State Bank of Saurashtra) (Hypothecation of Plant & Machinery & Mortage of immovable properties and fixed assets of the Company excluding Assets charged on exclusive basis)	1,500.00	1,324.29
G. ICICI Bank Limited (Mortgage of immovable Propety at unit no 207 A&B Peninsula Centre, Parel Mumbai)	656.25	—
H. Term Loans from Banks, Finance Companies (Hypothecation of Vehicles)	106.66	13.79
I. Working Capital from Banks		
Cash Credit	6,541.82	6,625.16
Packing Credit (The working capital loans / Packing Credit from Banks., are secured against hypothecation of present and future stock in trade and Book Debts) (All the above Loans except at 'A', 'F' & 'H' are further Guaranteed personally by the Promoter Directors.)	1,599.24	2,148.07
TOTAL	38,198.61	30,534.89
SCHEDULE "4"		
UNSECURED LOANS		
From Banks	3,223.92	1,281.64
TOTAL	3,223.92	1,281.64
SCHEDULE "5"		
DEPRECIATION		
Depreciation	1,736.44	1,120.93
Less : Included under other heads of Expenses		
Expenditure on Rented Premises	—	0.71
Land Premium Written off	10.68	10.68
TOTAL	1,725.76	1,109.54

SCHEDULE "5" -

FIXED ASSETS - FABRIC DIVISION (WDV Method) (Rs. in Lacs)

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
SR. NO.	DESCRIPTION OF ASSET	COST AS AT 31.03.2009	ADDITIONS	DELETION / ADJUSTMENT	COST AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR ENDED	DELETION	UP TO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	RESIDENTIAL BUILDING	25.50	—	—	25.50	—	—	—	—	25.50	25.50
2	OFFICE BUILDING	291.83	—	—	291.83	17.45	13.72	—	31.17	260.66	274.37
3	PLANT & MACHINERY	141.53	—	—	141.53	137.68	0.54	—	138.22	3.32	3.85
4	FACTORY EQUIPMENT	0.32	0.19	—	0.51	0.29	0.02	—	0.31	0.20	0.03
5	AIR CONDITIONER	6.10	—	—	6.10	4.40	0.24	—	4.63	1.47	1.70
6	FURNITURE & FIXTURES	59.15	0.26	—	59.41	44.22	2.70	—	46.92	12.48	14.92
7	MOTOR CAR & BIKES	51.59	112.18	5.36	158.41	34.35	7.77	3.07	39.05	119.36	17.25
8	OFFICE EQUIPMENT	12.38	0.31	—	12.70	9.79	0.37	—	10.17	2.53	2.59
9	ELECTRICAL INSTALLATION	—	0.97	—	0.97	—	0.09	—	0.09	0.88	—
10	COMPUTER ACCESSORIES	16.79	1.35	—	18.14	13.11	1.61	—	14.72	3.42	3.69
11	INTENGIBLE ASSETS	18.53	—	—	18.53	5.10	1.66	—	6.77	11.76	13.43
	CURRENT YEAR TOTAL :	623.72	115.27	5.36	733.63	266.39	28.72	3.07	292.05	441.58	357.33

FIXED ASSETS (PROCESS, WEAVING, SHIRTING & GARMENT DIVISIONS) SLM (Rs. in Lacs)

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
SR. NO.	DESCRIPTION OF ASSET	COST AS AT 31.03.2009	ADDITIONS	DELETION / ADJUSTMENT	COST AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR ENDED	DELETION	UP TO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	Lease Hold Land	1,006.63	—	—	1,006.63	38.21	10.68*	—	48.89	957.74	968.42
2	Land	1,171.62	423.89	—	1,595.51	—	—	—	—	1,595.51	1,171.62
3	Factory Building	7,681.51	1,247.66	—	8,929.17	554.11	280.48	—	834.59	8,094.58	7,127.40
4	Capital Expenditure on Rented Premises	21.26	—	—	21.26	1.95	19.32	—	21.26	—	19.32
5	Residentail Staff Quarters	354.71	115.98	—	470.69	13.09	5.87	—	18.96	451.73	341.62
6	Plant & Machinery	24,117.85	5,273.57	985.96	28,405.46	2,862.96	1,295.68	4.51	4,154.13	24,251.33	21,254.89
7	Factory Equipments	12.88	0.77	—	13.65	3.40	0.84	—	4.24	9.40	9.47
8	Computers & Accessories	191.02	19.31	—	210.33	123.69	31.59	—	155.28	55.05	67.33
9	Intengible Assets	41.19	2.12	—	43.31	16.30	8.42	—	24.73	18.58	24.89
10	Office equipments	75.08	4.30	—	79.38	16.38	4.87	—	21.26	58.12	58.69
11	Air Conditoners	40.69	20.14	—	60.83	9.47	2.91	—	12.38	48.45	31.23
12	Motor cars & Bikes	97.88	20.25	18.15	99.97	23.12	8.68	7.37	24.42	75.55	74.76
13	Furniture & Fixtures	594.32	30.33	—	624.65	137.15	38.38	—	175.53	449.12	457.17
	TOTAL :	35,406.63	7,158.32	1,004.11	41,560.84	3,799.83	1,707.72	11.88	5,495.67	36,065.18	31,606.80

* This is debited to land premium w/off and hence not inculded in depreciation

Total Current year	36,030.36	7,273.60	1,009.48	42,294.48	4,066.23	1,736.44	14.95	5,787.72	36,506.76	31,964.13
Capital Work-in-Progress									277.13	
Total Previous Year	24,228.63	12,054.73	253.01	36,030.36	2,948.76	1,120.93	3.46	4,066.23	31,964.13	21,279.87
Capital Work-in-Progress									—	

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "6"		
INVESTMENTS (Un Quoted At Cost)		
SHARES:-		
A) BANK		
Sangli Urban Co-Op Bank Ltd.	0.001	0.001
B) OTHERS		
Asia Television Network Ltd.	0.050	0.050
TOTAL	0.05	0.05

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "7"		
INVENTORIES		
Finished Goods (Lower of Cost or net realisable value)	10,949.65	7,452.34
Raw Materials (Valued at Cost)	6,951.04	5,800.01
Store & Spares (Valued at Cost)	174.97	222.84
Work in Process (Valued at Cost)	299.25	250.88
TOTAL	18,374.92	13,726.06
SCHEDULE "8"		
SUNDRY DEBTORS		
(Unsecured, considered Good)		
Outstanding for more than six months	182.96	128.04
Less than six months	9,268.94	3,950.05
TOTAL	9,451.90	4,078.09
SCHEDULE "9"		
CASH AND BANK BALANCES		
Cash in Hand	28.61	29.00
Balances with Scheduled Banks	116.04	530.20
Fixed Deposits With Bank	45.11	0.10
TOTAL	189.77	559.30
SCHEDULE "10"		
LOANS, ADVANCES AND DEPOSITS		
(CONSIDERED GOOD)		
Advances recoverable in cash or in kind or value to be received.	3,547.80	2,435.86
Deposits	2,172.96	2,224.40
TOTAL	5,720.76	4,660.26
SCHEDULE "11"		
CURRENT LIABILITIES		
Sundry Creditors	2,036.25	3,870.74
Other Liabilities	2,026.14	2,024.09
TOTAL	4,062.39	5,894.83
SCHEDULE "12"		
PROVISIONS		
Provision for Income Tax	444.69	210.84
Provision for Fringe Benefit Tax	—	13.78
Provision For Final Dividend & Distribution Tax	290.65	92.75
TOTAL	735.34	317.37

(Rs. in Lacs)

PARTICULARS	FOR Y.E. 31ST MARCH, 2010	FOR Y.E. 31ST MARCH, 2009
SCHEDULE "13"		
SALES & PROCESSING CHARGES		
1) Local Sales	48,952.76	31,472.57
2) Export Sales (Inclusive of Duty Drawback)	12,204.96	13,621.03
3) Processing & Services Charges	1,438.67	1,296.27
	62,596.38	46,389.87
Less: Discount and Rebate	74.74	64.70
TOTAL	62,521.64	46,325.17
SCHEDULE "14"		
OTHER INCOME		
Profit on Sale of Assets	—	2.22
Foreign Exchange Fluctuation	(1735.25)	(448.49)
Interest Income	28.83	28.17
Miscellaneous Income	178.18	93.57
TOTAL	(1528.24)	(324.53)
SCHEDULE "15"		
INCREASE IN STOCK		
Closing Stock	11,248.90	7,703.22
Less : Opening Stock	7,703.22	6,480.15
TOTAL	3,545.68	1,223.07
SCHEDULE "16"		
RAW MATERIALS CONSUMED		
Opening Stock	5,800.01	2,377.48
Add: Purchases		
Cloth	37,770.81	27,294.11
Yarn	5,039.74	4,334.28
Garments	3.06	33.67
Add : Custom Duty	0.69	5.88
Sample Purchases	58.50	80.13
Brokerage On Purchase	1.31	0.16
	48,674.12	34,125.70
Less: Closing Stock	6,951.04	5,800.01
Consumption of Raw Materials	41,723.07	28,325.70
Consumption of Auxilliary Materials	1,888.77	1,635.02
Packing Materials	351.94	351.47
TOTAL	43,963.78	30,312.18

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "17"		
OPERATION AND OTHER EXPENSES		
Testing & Inspection Fees	49.67	39.81
Processing Charges	562.21	496.87
Weaving & Spotting Charges	244.35	214.58
Garment Stitching Charges	670.26	888.96
Sample Processing charges	77.52	104.58
Power, fuel and water charges	1,750.23	1,446.92
Repair and Maintenance to machinery	223.42	99.91
Repair and Maintenance to building	29.06	14.43
Labour Charges	85.94	111.86
General Factory Expenses	68.83	49.00
Miscellaneous Expenses	89.94	40.26
TOTAL	3,851.43	3,507.17
SCHEDULE "18"		
EMPLOYMENT COST		
Salary& Wages (inclusive of Bonus,Gratuity & other Allowances)	3,039.13	2,538.78
Contribution to P.F, ESIC, etc	263.94	226.17
Employee's Welfare and amenities	109.45	107.77
TOTAL	3,412.52	2,872.72
SCHEDULE "19"		
ADMINISTRATIVE, SALES AND OTHER EXPENSES		
Auditor's Remuneration	8.82	2.21
Bank Charges & Commission	122.86	154.19
Commission on Sales	211.81	112.81
Communication Expenses	54.38	67.93
Courier Charges	91.21	107.58
Director's Remuneration & Sitting Fees	291.70	183.20
Donations	4.66	3.41
Electricity Charges	28.76	48.42
Freight / Transportation (Net)	440.74	309.28
General Office Expenses	71.43	92.27
Insurance (Net)	49.34	55.27

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "19" ADMINISTRATIVE, SALES AND OTHER EXPENSES (Contd.)		
Land Premium W/off	10.68	10.68
Legal & Licence Fees	24.67	29.54
Loss On Sale Of Fixed Assets	14.98	4.58
Printing & Stationary Charges	34.77	32.70
Repair & maintenance	19.27	35.86
Proffesional Fees	187.26	151.70
Rent, Rates & Taxes	275.80	322.72
Sales Promotion Expenses	36.35	79.52
Travelling Expenses	107.72	117.31
Watch & Ward Exp.	68.85	53.77
Miscellaneous Expenses	97.58	85.51
TOTAL	2,253.63	2,060.46
SCHEDULE "20"		
INTEREST		
To Banks/Financial Institutions for Term Loans (Net of interest subsidy under TUF scheme)	1,791.20	957.22
To Banks for Working Capital	880.74	799.00
To Others	0.01	0.92
	2,671.95	1,757.14

SCHEDULE "21"

NOTES TO ACCOUNT

1. **SIGNIFICANT ACCOUNTING POLICIES**

A. BASIS OF ACCOUNTING

The financial statements are prepared as a going concern under historical cost convention on an accrual basis except, those with significant uncertainty and in accordance with the Companies Act, 1956. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles, reasonable estimates and assumptions and prudent commercial practices.

B. FIXED ASSETS

a. The Gross Block of Fixed asset is recorded at cost, which includes duties and other identifiable direct expenses up to the date of commissioning of the assets and wherever applicable is net of credits available under CENVAT and VAT schemes and 10 % capital subsidy granted by the Central Government on processing and garmenting machinery.

b. Incidental expenditure including interest on loans during construction period is capitalized up to the date of attainment of commercial production.

c. Profit/ Loss on the sale of fixed assets is accounted for in the Profit and Loss Account and credited/debited respectively to profit and loss account.

C. INTANGIBLE ASSETS

a. Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortised over a period of five years. Amortisation is done on straight line basis.

D. DEPRECIATION

a. Depreciation on fixed Assets is charged as follows :

i) Premium on leasehold land is amortised in equal installments over the period of the lease.

ii) Capital expenditure on rented premises is amortised at the depreciation rate applicable to factory building under the Companies Act, 1956.

ii) Dyeing, Weaving, Shirting, Garment & Export Divisions – on Straight Line Method.

iii) Fabric Division – on Written Down value Method.

b. On additions to the fixed assets made during the year, depreciation is provided on pro-rata basis, with reference to the date of addition.

c. On deletion or sale of assets, no depreciation is provided.

E. BORROWING COST

Interest and other cost in connection with the borrowing of funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and all other borrowings cost are charged to revenue.

F. INVESTMENTS

Long term investments are valued at cost. Any decline other than temporary, in the value of long term investments is adjusted in the carrying value of such investments.

G. INVENTORIES

a. Finished goods (other than finished fabrics) are valued at cost or market value which ever is lower. The cost of finished fabrics is arrived after deducting estimated margin from the selling price of the goods.

b. Work in progress valued at cost .Cost comprises all cost of materials, cost of conversion and any other cost incurred in the production process.

c. Raw materials for weaving, shirting and fabric division is valued at cost following specific identification method. The stock of auxiliary material for process division is valued at landed cost on FIFO basis. The stock of Raw materials and auxiliary material for export division is valued at standard cost with appropriate application of variances to the stock of raw materials. The damaged, unserviceable and inert raw materials are valued at net realisable value.

d. Stores and Spares and sample fabric purchases, are charged to profit and loss account in the year of purchase.

e. Stock of unsold flats is valued at cost.

H. SALES AND PURCHASES

a. Sales include sale of raw materials, semi-finished goods and finished goods. Sales also include Processing charges, Garment Stitching charges, Sample charges and Duty Drawback received.

b. Value Added Tax (VAT) collected is shown as liability and netted off against VAT refund.

c. Sales and purchases are accounted net of cash discount, returns, rebate, etc.

d. Purchases also include custom duty paid on raw material imports.

e. Export sales are accounted on CIF value or FOB value basis depending on the terms of sale.

f. Export sales of samples are accounted on realisation basis.

g. Export Incentives like DEPB license or Duty Drawback available on exports are recognised on accrual basis in the year of exports.

I. EXPENSES

All material known liabilities are provided for on the basis of available information/ estimates.

J. FOREIGN CURRENCY TRANSACTION

a. Export sales are recorded at the exchange rate prevailing on the date of the transaction. Purchases & other expenditure in foreign currencies is accounted at the exchange rate prevailing on the date the transactions are recorded in the books of the company.

b. Monetary items denominated in foreign currency are restated at the exchange rate prevailing at the year-end and the overall net gain / loss is adjusted to the profit & loss account.

c. Premium receivable / payable on forward contracts is shown as Current Assets / Liabilities. Premium income / expense is amortised over the period of contract and the unamortised premium is shown under Current Liabilities / Assets.

d. Paris office transactions are accounted at the exchange rate prevailing at the time of payment.

K. CAPITAL ISSUE EXPENSES

'Miscellaneous Expenditure' representing share issue expenses amounting to Rs. 2,67,99,077/- adjusted against the Securities Premium Account.

L. EMPLOYEE BENEFITS:

a. Defined Contribution Plan

Contribution to provident fund is accounted on accrual basis with corresponding contribution to recognised fund.

b. Defined Benefit Plan

The Company has Defined Benefit Plan for gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. Gratuity scheme is administered through trust and the trust funds are managed under the employee gratuity scheme of LIC.

c. Company does not have any policy for Leave Encashment or any other pension plans/schemes.

M. OPERATIONAL LEASE:

Operational lease payments are recognized as an expense in Profit & Loss accounts on accrual basis. Lease payments relating to project under development are capitalized to respective projects.

N. INCOME TAX

a. Current Tax : Provision is made for Income tax under the tax payable method based on the liability as computed after taking credit for allowances and exemptions. Current Tax provided for the year is also net of MAT Credit available under the I.T Act.

b. Deferred Tax : Consequent to the Accounting Standard 22- Accounting for Taxes on Income becoming mandatory effective from 1st April,2002, the differences that result between the profit offered for income tax and the profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period, based on prevailing enacted regulations.

O. GOVERNMENT GRANTS

Grants in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFS) and capital subsidy on processing machinery are accounted for when it is reasonably certain that ultimate collection will be made.

P. IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine,

a) The provision for impairment loss, if any required or,

b) The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined,

a) In the case of an individual asset, at the higher of the net selling price and the value in use.

b) In the case of a cash-generating unit, (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its deposal at the end of its useful life)

Q. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities are not recognized, but disclosed in the case of,

a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) A possible obligation, when the probability of outflow of resources is reasonably certain.

Contingent Assets are neither recognised, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.

GENERAL NOTES TO ACCOUNTS

2. Contingent Liabilities not provided for in respect of:

a) Export invoices backed by letter of credit purchased by the bank amounting to Rs. 670.51 Lacs. (Previous year Rs. 846.33 Lacs).

b) Sales invoices Discounted with the bank amounting to Rs. 48.64 Lacs. (Previous Year NIL)

c) Claim against the Company not acknowledged as debts in respect of Income Tax demand amounting to Rs. 103.28 Lacs (Interest thereon not ascertainable at present.)

d) Claim against the Company not acknowledged as debts in respect of Central Excise dues amounting to Rs. 290.58 Lacs. (Interest thereon not ascertainable at present.)

e) Bank guarantee given to Sales Tax, MSEB & Custom Department of Rs. 240.93 Lacs.

3. **CAPITAL COMMITMENTS:**

The estimated amount of contracts remaining to be executed on capital account to the extent not provided for Rs.200.21 Lacs. (Previous year Rs. 2,230.16 Lacs)

4. DISCLOSURES PURSUANT TO ACCOUNTING STANDARD -15 "EMPLOYEE BENEFITS"

Consequent to the adoption of Accounting Standard on Employee Benefits (AS-15) (Revised 2005) issued by the institute of Chartered Accountants of India, the following disclosers have been made as required by the Standard:

A) Defined Contribution Plans

The Company has recognized the following amounts in the Profit and Loss Account for Defined Contribution plans:

Particulars	**(Rs. In Lacs)**
Provident Fund	207.26

The Company's provident Fund is administered by the Maharashtra & Karnataka State Government.

B) State Plans

The Company has recognized the following amounts in the profit & loss account for contribution to state plans:

Particulars	**(Rs. In Lacs)**
Employee's State Insurance	56.05

C) Defined Benefit Plans

Contribution to Gratuity Funds:

The details of the Company's Gratuity Fund for it's employees are given below which is certified by the actuary and relied upon by the auditors.

(Rs. In Lacs)

Particulars	**March 31, 2010**	**March 31, 2009**
Components of employer expenses		
1) Current Service Cost	3.53	3.45
2) Interest Cost	1.45	1.16
3) Expected Return on Plan Assets	(2.00)	(1.38)
4) Net Actuarial (Gain)/Loss	4.62	(0.76)
5) Total expense/(Gain) recognized in the Profit and Loss Account	7.60	2.47
Net Assets/Liability recognised in Balance Sheet		
1) Present Value of Defined benefit obligation	(27.30)	(18.25)
2) Fair Value of plan assets	26.10	19.01
3) Assets/(Liability) recognized in Balance Sheet.	(1.20)	0.76

Particulars	March 31, 2010	March 31, 2009
Change in Present Value of the Defined Benefit Obligation		
1) Opening Present Value of obligation	18.25	14.52
2) Interest Cost	1.45	1.16
3) Current Service Cost	3.53	3.45
4) Benefits Paid	(0.55)	(0.12)
5) Actuarial (Gain)/Loss	4.62	(0.76)
6) Closing Present Value of obligation.	27.30	18.25
Change in the fair value of plan Assets		
1) Opening Value of plan assets	19.01	10.86
2) Expected return on plan Assets	2.00	1.38
3) Actual Company Contribution	5.64	6.90
4) Benefits Paid	(0.55)	(0.13)
5) Closing Fair Value of plan assets	26.10	19.01
Actuarial Assumption		
Discount rate (per annum)	8 %	8 %
Expected rate of return on assets (per annum)	8 %	8 %
Salary escalation rate*	4 %	4 %
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Withdrawal Rate	1 %-3 % depending on age	1 %-3 % depending on age

(Rs. In Lacs)

* takes into account the inflation, seniority, promotions and other relevant factors

The Company expects to contribute Rs. 6 Lacs to the trust towards gratuity fund in 2010-11

5. **SUNDRY DEBTORS:**

Sundry Debtors include Nil *(Previous year Rs. NIL)* due from firms and companies under the same management.

6. Balance of Debtors, Creditors and Loans and Advances have been taken as per books, and are subject to confirmation and reconciliation from respective parties.

7. The quantum of dues to Small Scale Industrial Undertakings, to whom the company owes a sum exceeding Rs. 1 Lac which is outstanding for more than 30 days as at the Balance Sheet date is NOT DETERMINED.

8. **LAND LEASE PREMIUM**

The details of land lease premium written off as given below,

(Rs. In Lacs)

Sr No.	Location at Tarapur	Total Land Premium	Period of Lease (Years)	Yearly Premium	Premium Written Off
1	E-33	25,10,173	80	35,056	35,056
2	C-3	6,99,93,674	95	7,36,776	7,36,776
3	E-25	63,44,350	85	75,353	75,353
4	C-2	2,18,14,470	99	2,20,411	2,20,411
TOTAL				10,67,596	10,67,596

8A. **CAPITAL WORK IN PROGRESS:**

Capital WIP includes expenditure incurred for setting up new Garment unit at Tarapur. The details of the amount incurred for the Year Ended 31st March, 2010 are as under.

(Rs. In Lacs)

Particulars	Tarapur Garment Unit
OPENING BALANCE	—
Add: Exp. Incurred During the year	
Factory Building	198.75
Machinery Purchase	61.27
Freight & Transportation	9.90
Other General Exp	7.21
Total Addition	**277.13**
Less: Transferred to Fixed Assets	—
CLOSING BALANCE	**277.13**

8B. Disclosure in respect of derivative instruments outstanding :

(Figures in Lacs)

SR. NO.	PARTICULARS	CURRENCY	FORWARD AMOUNT	TYPE OF CONTRACT
1	Against Imports	NIL	NIL	NIL
2	Against Exports	USD /INR	57.50	Sale
		EUR/USD	5.00	Sale

Note:- Above details compiled by the Management and relied upon by the Auditors.

9. **Advances includes the following:**

(Rs. In Lacs)

Particulars	**FY 09-10**	**FY 08-09**
Advances to suppliers	391.26	846.78
Advanced against salary	10.46	3.01
Bank Margin Account	25.34	58.78
Export Entitlement Receivable	11.21	—
TUF Interest Claim Receivable	1033.99	787.17
Duty Drawback Receivable	231.49	203.19
Capital Subsidy Receivable	892.63	177.65
Income Tax Refund Receivable	38.25	38.25
Interest subsidy Receivable	42.40	42.40
Prepaid Expenses	55.31	132.82
Sale Tax / VAT Refund Receivable	280.42	120.78
Forward Contract Premium Receivable	302.93	7.37
Other Receivable	4.42	2.61
MAT Credit Receivable	227.69	15.05

10. **Deposits includes the following Deposits:**

a) with directors and their relatives against rented premises:

(Rs. In Lacs)

Particulars	**FY 09-10**	**FY 08-09**
Biharilal Mandhana	303.00	303.00
Manish B. Mandhana	541.00	541.00
Purshottam C. Mandhana	809.00	809.00
Priyavrat P. Mandhana	121.00	121.00
Prema P. Mandhana	226.00	226.00

b) with statutory bodies:

Bureau of Indian Standard	–	1.34
MSEB	1.08	72.93
BEST	7.08	5.33

c) with Others:

Deposits for Bangalore factory	136.14	120.41
Deposits for Vikhroli factory	–	1.00
Deposit against Paris Office	7.77	7.05
Deposits against other premises	7.20	7.68
Sundry deposits	13.69	8.67

11. **EARNING PER SHARE :-** ("EPS") computed in accordance with Accounting Standard 20:

Particulars	**F.Y. 09-10**	**F.Y. 08-09**
Net Profit After Tax available for Equity Shareholders (Rs. in Lacs) (a)	4,347.21	3,655.05
Weighted Average Number Of Equity Shares Outstanding (in lacs) (b)	238.29	226.50
Annualised Basic Earning Per Share (Face Value Rs.10/- per share) (a/b)	**18.24**	**16.14**
Weighted Average No.of Diluted Shares Outstanding (in lacs) (c)	238.29	226.50
Annualised Diluted Earning per share (Face Value Rs.10/- per share) (a/c)	**18.24**	**16.14**

12. **DEFERRED TAX:**

(A) The Components of Deferred Tax Liability (Net) as on 31st March, 2010 is as Follows: (Rs. In Lacs)

Particulars	**Deferred Tax Liability/(Asset) as at 01.04.2009**	**Current Year charge/(credit)**	**Deferred tax Liability/(Asset) as at 31.03.2010**
Deferred Tax Liabilities:			
Difference between book and tax Depreciation	**3,662.36**	**1,343.64**	**5,006.00**
Deferred Tax Asset:			
a) Interest on acquisition of Land disallowed U\S 36(1) (iii) of Income Tax Act	**(38.61)**	**–**	**(38.61)**
b) Disallowance for no TDS u\s 40(a)(i)(a)	**(7.88)**	**7.88**	**–**
Adjustment on account of transitional provisions of AS-15	**0.26**	**(0.67)**	**(0.41)**
TOTAL	**3,616.13**	**1,350.85**	**4,966.98**

13. **RELATED PARTY INFORMATION:-**

1. Relationship :-

a) Key Management Personnel and their Relatives.

Key Management Personnel and their Relatives	Relationship
Shri Purushottam C. Mandhana	Chairman& Managing Director
Shri Biharilal C. Mandhana	Executive Director
Shri Manish B. Mandhana	Director
Smt. Prema P. Mandhana	Wife of Mr. Purushottam Mandhana
Priyavrat Mandhana	Son of Mr. Purushottam Mandhana
Smt. Sudha B. Mandhana	Wife of Mr. Biharilal Mandhana
Smt. Sangeeta M. Mandhana	Wife of Mr. Manish Mandhana
Ms. Preeti P. Mandhana	Daughter of Mr. Purushottam Mandhana

b) Entities over which key Management Personnel and their relatives are able to exercise significant influence — Mahan Synthetics Textiles Private Limited; Balaji Corporation; Golden Seam Textile Pvt. Ltd.; Indus Fila Ltd.

2. Transactions with related parties :

(Rs. in Lacs)

Particulars	Referred in 1(a) Above	Referred in 1(b) Above
Purchases :		
Fabrics & Aux. Material	—	3.44
Sales :		
Fabrics & processing chgs.	—	341.12
Expenses :		
Directors Remuneration & Perquisites	291.24	—
Rent To Directors & Relatives of Directors	28.96	—
Deposits against premises:	2,000.00	—
Outstanding :		
Payables	—	—
Receivables	—	—

Note:- Above details compiled by the Management and relied upon by the Auditor

14. **MANAGERIAL REMUNERATION :**

Remuneration to Managing Director / Executive Directors

(Rs. in Lacs)

Particulars	FY 09-10	FY 08-09
Salaries	288.00	180.00
Contribution to Provident Fund	3.24	3.24
	291.24	**183.24**

Computation of Net Profit in Accordance with Section 349 of the Companies Act, 1956.

(Rs. in Lacs)

Particulars	FY 09-10	FY 08-09
Profit before Taxation	6660.00	5604.49
Add: Depreciation as per Accounts	1725.76	1109.54
Loss on Sale/ discarding of Fixed Assets	14.98	4.58
Managerial Remuneration	291.24	183.24
Less : Depreciation as per Sec 350 of Companies Act, 1956	1725.76	1109.54
Profit on Sale of Fixed Assets	0.00	2.22
Net Profit For the Year	6966.22	5790.09
Remuneration Restricted to (10% of Net Profit)	696.62	579.01

15. Segmental reporting for the year ended on 31st March, 2010 is as under.

(A) On the basis of Business Segments –

(Rs. In Lacs)

Particulars	Textiles	Garment	Other	Total
External Revenues	49,422.85	11,854.03	150.00	61,426.89
Internal Segment Revenues	2,456.98	—	—	2,456.98
Other Allocable Income	—	1,094.76	—	1,094.76
Total Revenues	**51,879.83**	**12,948.79**	**150.00**	**64,978.62**
Less: Elimination	2,456.98	—	—	2,456.98
Net Revenue	**49,422.85**	**12,948.79**	**150.00**	**62,521.64**
SEGMENT RESULT	**7,991.98**	**2,745.37**	**137.82**	**10,875.17**
Other Non-allocable Income / (Exps)				
Other Income				(1543.22)
Interest Cost				2,671.95
Provision for Taxes				2,312.79
NET PROFIT				**4,347.21**
OTHER INFORMATION				
Segment Assets	50,361.65	19,881.51	12.18	70,255.34
Unallocable Corporate Assets				265.94
TOTAL ASSETS				**70,521.28**
Segment Liabilities	38,296.46	7,187.96	0.50	45,484.92
Unallocable Liabilities				5,702.31
TOTAL LIABILITIES				**51,187.23**
CAPITAL EXPENDITURE				
Segment Capital Expenditure	6,692.54	581.06	—	7,273.60
Unallocated Capital Expenses				—
TOTAL CAPITAL EXP.				**7,273.60**
DEPRECIATION & AMORTISATION				
Segment Dep. & Amort.	1,428.67	307.77	—	1,736.44
Unallocated Dep. & Amort.				—
TOTAL DEPRECIATION & AMORTISATION				**1,736.44**

(B) On the basis of Geographical Segments -

(Rs. In Lacs)

Particulars	Domestic	Exports	Total
Segment Revenues	50,318.93	12,202.71	62,521.64
Internal Segment Revenues	2,456.98	—	2,456.98
Total Revenues	**52,775.90**	**12,202.71**	**64,978.62**
Less : Elimination	2,456.98	—	2,456.98
NET REVENUES	**50,318.93**	**12,202.71**	**62,521.64**
Segment Result	**8,199.15**	**2,676.02**	**10,875.17**
Carrying Cost of segment assets	51,151.32	19,104.02	70,255.34
Addition to Fixed Assets	6,692.54	581.06	7,273.60

(C) Other Disclosures -

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS – 17) taking into account the organization structure as well as the differential risks and returns of these segments.

2. The Company has disclosed Business Segment as the primary segment.

3. The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

4. The business of sale of Residential Flat which is not reportable segment during the year have been showed under the "other" segment.

Note:- Above details compiled by the Management and relied upon by the Auditors

16. **INFORMATION PERSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

(Rs. in Lacs)

Particulars	**Current Year 2009-2010**	**Previous Year 2008-2009**
CIF Value of Import:-		
Capital Goods	3,377.40	5,956.25
Auxiliary Material	276.61	328.69
Expenses in Foreign Exchange :-		
On Commission on Sales, Traveling, Trade, Fair etc.	227.00	414.04
Earning in Foreign Exchange:-		
Export of Goods	11,110.21	12,469.87

Note: - Above details compiled by the management and relied upon by the auditors.

17. **OPERATING LEASE**

The Company has entered in to non-cancelable operating lease. The tenure of such agreements ranges from thirty three month to one hundred twenty months. There are no purchase option in these agreements. Lease agreements provide the option to Company to renew the lease period at the end of lease period.

(Rs. In Lacs)

Due	**Total Minimum Lease Payments Outstanding**	
	As At 31st March, 2010	**As At 31st March, 2009**
Not later than one year	247.79	187.95
Later than one year and not later than five year	518.89	330.71
later than five year	74.00	118.16
Total	**840.68**	**636.82**
Operating lease rentals debited to profit and loss accounts (net)	254.92	309.48
Operating lease capitalized to Fixed Assets	NIL	NIL

18. **QUANTATIVE DETAILS:**

CAPACITIES AND PRODUCTION:

Product	Unit (in '000)	Installed Capacity 2009-10	Installed Capacity 2008-09	Actual Production 2009-10	Actual Production 2008-09
Yarn Dyeing	Kgs.	3,000.00	2,400.00	2,446.23	2,006.29
Grey Cloth	Mtrs.	18,000.00	18,000.00	14,509.55	15,612.23
Finished Cloth (Fabric Processing)	Mtrs.	51,600.00	51,600.00 ***	20732.39**	17,563.23**
Garment	Nos.	3,600.00	3,600.00	3065.68*	3,592.32*

* Actual Production Includes in-house production and production by job workers.

** Fabric Processing Includes In-house Processing and Process on Job Works.

*** Installed capacity includes capacities for newly commenced plant at Tarapur (CDR Division). Actual production is for 10 days only.

19. **AUDITOR'S REMUNERATION INCLUDES:**

(Rs. In Lacs)

Particulars	**Current Year 2009-2010**	**Previous Year 2008-2009**
Statutory Audit Fees	6.60	1.65
Tax Audit Fees	2.20	0.55
Total	**8.80**	**2.20**

20. Previous year figures have been regrouped and rearranged wherever found necessary to make them comparable with the figures of the current year. Figures in Italics are in respect of the previous year. Figures have been rounded off to the nearest Rupee.

STOCKS & TURNOVER:

(Figures in Lacs)

Particulars	Unit	Opening Stock				Production/Purchase		Consumption		Turnover (net of sales returns)				Closing Stock			
		As at 1.4.2009		As at 1.4.2008		FY 09-10	FY 08-09	FY 09-10	FY 08-09	FY 09-10		FY 08-09		As at 31.03.2010		As at 31.3.2009	
		Qty.	Value	Qty.	Value	Qty.	Qty.	Qty.	Qty.	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Yarn	Kgs.	2.65	288.56	3.08	344.85	42.95	41.13	37.65	40.55	3.55	132.31	1.01	81.32	4.39	800.21	2.65	288.56
Grey Fabric	Mtrs.	63.65	3,450.76	34.81	1,807.14	328.02	330.80	147.74	120.01	192.77	11,379.14	181.95	9,213.46	51.16	2,821.82	63.65	3,450.76
Garment	Nos.	7.95	2,041.99	7.89	2,279.50	30.67	36.44	-	-	30.35	11,787.45	36.38	13,730.24	8.28	2,110.04	7.95	2,041.99
Finished Fabric	Mtrs.	83.52	7,446.68	46.26	4,108.64	541.18	334.76	51.91	66.35	441.03	43,135.78	231.15	26,885.85	131.75	12,358.70	83.52	7,446.68
TOTAL		**157.78**	**13,228.00**	**92.04**	**8,540.12**	**942.82**	**743.13**	**237.31**	**226.91**	**667.71**	**66,434.69**	**450.49**	**49,910.88**	**195.59**	**18,090.77**	**157.78**	**13,228.00**

NOTE : (1) The purchase & sales of fabric shown above are inclusive of interdivision transactions.The Details of interdivision transactions of fabric are as Follow:

(Figures in Lacs)

Particular	Quantity	Value
Grey Fabric	86.73	5,052.68
Finished Fabric	15.04	1,489.45

(2) The above details are complied by the management and relied upon by the auditor.

SIGNATORIES TO SCHEDULE 1 TO 21

FOR MANDHANA INDUSTRIES LIMITED

VISHAL H. SHAH & ASSOCIATES
Chartered Accountants

Vishal H. Shah
Proprietor

Mumbai, Date :15th June, 2010

Purushottam C. Mandhana
Chairman & Managing Director

Biharilal C. Mandhana
Director

Manish B. Mandhana
Joint Managing Director

Vinay Sampat
Company Secretary

INFORMATION PERSUANT TO PART III OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	**Registration Details**	
	Registration No.	U17120MH1984PLC033553
	State Code	00011.00
	Balance Sheet Date	31.03.2010
2.	**Capital raised during the year**	**Rupees in Lacs**
	Public Issue	Nil
	Right Issue	Nil
	Bonus Issue	1132.50
	Share Application	Nil
	Private Placement (Inclusive of Premium)	2500.00
3.	**Position of Mobilisation and Deployment of Funds**	**Rupees in Lacs**
	Total Liabilities	65723.56
	Total Assets	65723.56
	Sources of Funds	
	Paid-up Capital	2,482.39
	Reserves and Surplus	16,851.66
	Secured Loans	38,198.61
	Unsecured Loans	3,223.92
	Deferred Tax Liability	4,966.98
	Application of Funds	
	Net Fixed Assets	36,783.89
	Investment	0.05
	Net Current Assets	28,939.62
	Misc. Expenditure	0.00
	Accumulated Losses	NIL
4.	**Performance of the Company**	
	Turnover	60,993.40
	Total Expenditure	54,333.40
	Profit Before Tax	6,660.00
	Profit After Tax	4,347.21
	Earnings Per Share (Diluted)	18.24
	Dividend Rate (%)	15%
5.	**Genric Names of Principle Products, Services of the Company.**	
	Item Code No. (ITC code)	Product Description
	5208	Woven fabric of Cotton
	5211	Woven fabric of Cotton mixed mainly or solely with man made fibres
	6205	Men's or Boy's Shirt
	6206	Women's or girl's blouses, shirts and shirt-blouses

Signatories to Schedule 1 to 21

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MANDHANA INDUSTRIES LIMITED

Purushottam C. Mandhana
Chairman & Managing Director

Biharilal C. Mandhana
Director

Manish B. Mandhana
Joint Managing Director

Vinay Sampat
Company Secretary

Mumbai, Date : 15th June, 2010

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a whirlpool of ideas!

MANDHANA INDUSTRIES LIMITED

Plot.No.C-3, M.I.D.C, Tarapur Industrial Area, Boisar, Dist. Thane 401 506

ATTENDENCE SLIP

NAME :	FOLIO / CLIENT ID NO.
ADDRESS :	

Please complete this attendance slip in full. I hereby record my presence at the Annual General Meeting held on Monday, 27th September, 2010 at 11.30 a.m. at the Registered Office of the Company at Plot.No.C-3, M.I.D.C, Tarapur Industrial Area, Boisar, Dist. Thane 401 506

Shareholder's			
Proxy's	(Surname)	(First Name)	(Second Name)
Signature of	Shareholder		
	Proxy		

— — — — — TEAR HERE — — — — —

MANDHANA
a whirlpool of ideas!

MANDHANA INDUSTRIES LIMITED

Plot.No.C-3, M.I.D.C, Tarapur Industrial Area, Boisar, Dist. Thane 401 506

FORM OF PROXY

I/We ____

of ________________________________ being a member/members of MANDHANA INDUSTRIES LIMITED hereby appoint ________________________________

of ____________________ or failing him ____________________

of ____________________ or failing him ____________________

of ____________________ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company on Monday, 27th September, 2010 at 11.30 a.m. or any adjournment thereof

As WITNESS my/our hand(s) this ____________ day of ____________, 2010

Signed by the said ________________________ AFFIX 1 RUPEE REVENUE STAMP ____________

NOTE: The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.


MANDHANA DYEING
UNIT II

MANDHANA
INDUSTRIES LTD.




MANDHANA INDUSTRIES
EXPORT DIVISION


Branch Offices

Bengaluru
26/A, Peenya II Phase,
Peenya Industrial Area,
Near NTTF Bus Stop,
Bengaluru - 560 058.

New Delhi
508-509, Ansal Tower,
38, Nehru Place,
New Delhi - 110 019.

Chennai
AC Block, Old No. 31, New No. 8,
4th Street, Anna Nagar,
Chennai - 600 040.

Paris (France)
15 Rue de la Banque,
Escalier B Entresol,
75002 Paris,
France.

Works

MANDHANA WEAVING HOUSE
(A Division of Mandhana Industries Limited)
E-33, MIDC,
Tarapur Industrial Area,
District Thane - 401 506.

MANDHANA WEAVING HOUSE
(Shirting Division)
(A Division of Mandhana Industries Limited)
Plot No. C-2, MIDC,
Tarapur Industrial Area,
District Thane - 401 506.

MANDHANA DYEING
(A Division of Mandhana Industries Limited)
E-25, MIDC,
Tarapur Industrial Area,
District Thane - 401 506.

MANDHANA DYEING - UNIT II
(A Division of Mandhana Industries Limited)
Plot No. C-3, MIDC,
Tarapur Industrial Area,
District Thane - 401 506.

MANDHANA Industries Limited
(Garment Division)
26/A, Peenya II Phase,
Peenya Industrial Area,
Near NTTF Bus Stop,
Bengaluru - 560 058.

MANDHANA Industries Limited
(Garment Division)
Plot No. 31, Survey No. 161,
Laggare Village, Yeshwanthpura,
Hobli, Bengaluru North Taluka,
Bengaluru - 560 058.

MANDHANA Industries Limited
(Garment Division)
No.21-D, 2nd Phase,
Peenya Industrial Area,
Bengaluru - 560 058.

MANDHANA Industries Limited
(Garment Division)
Unit No. 36/2, Maruti Plaza,
Madanayakanahalli Village,
Dasanapura,
Hobli, Tumkur Road,
Bengaluru - 562 123.

MANDHANA Industries Limited
(Garment Division)
B Wing, Ganpati Baug,
T. J. Road, Sewree (West),
Mumbai - 400 015.

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Designing | Yarn Dyeing | Weaving | Processing | Garments

Mumbai Tarapur Bengaluru Chennai Delhi Paris