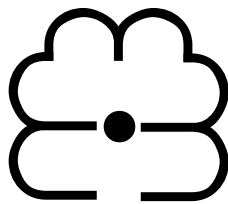


33<sup>rd</sup>  
ANNUAL  
REPORT



**MANDHANA®**  
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2016  
2017

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Purushottam C. Mandhana	- Chairman & Managing Director
Mr. Jeenendra Bhandari	- Non-Executive and Independent Director
Mr. Chandrakant Shetty	- Non-Executive and Independent Director
Mr. Pandharinath Parab	- Non-Executive and Independent Director
Mr. Manish B. Mandhana	- Non-Executive Director

### BOARD COMMITTEES

#### Audit Committee

Mr. Jeenendra Bhandari	- Chairman
Mr. Chandrakant Shetty	- Member
Mr. Pandharinath Parab	- Member
Mr. Purushottam C. Mandhana	- Member

#### Nomination & Remuneration Committee

Mr. Chandrakant Shetty	- Chairman
Mr. Jeenendra Bhandari	- Member
Mr. Pandharinath Parab	- Member

#### Stakeholders' Relationship Committee

Mr. Pandharinath Parab	- Chairman
Mr. Chandrakant Shetty	- Member
Mr. Manish B. Mandhana	- Member

#### Management Committee

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

#### CSR Committee

Mr. Jeenendra Bhandari	- Chairman
Mr. Pandharinath Parab	- Member
Mr. Purushottam C. Mandhana	- Member

### Ms. Divya Mer - Company Secretary and Compliance Officer

#### Auditors

M/s. KPND & Co.  
Chartered Accountants

#### Solicitors

M/s. Crawford Bayley & Co.  
Advocates & Solicitors

#### Internal Auditors

M/s. Ram Agarwal & Associates  
Chartered Accountants  
(For Corporate Office, Mumbai & Tarapur)

M/s. B. Choraria & Mates  
Chartered Accountants  
(For Bengaluru)



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## Mandhana Industries Limited

### Cost Auditors

M/s. C.B Modh & Co.,  
Cost Accountants

### Secretarial Auditor

Mr. Nitin R. Joshi.  
Practicing Company Secretary

### Bankers

Bank of Baroda  
Corporation Bank  
State Bank of Patiala  
Allahabad Bank  
Punjab National Bank  
Indian Bank

State Bank of India  
The Saraswat Co-Op. Bank Ltd.  
Bank of India  
Axis Bank Limited  
HDFC Bank Limited  
Karur Vysya Bank

### Registered Office

Plot No. C-3, MIDC,  
Tarapur Industrial Area,  
Boisar, Dist: Palghar - 401506  
Tel : 91-2525-605 704/05/06  
Fax: 91-22-43539358

### 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  
email : [cs@mandhana.com](mailto:cs@mandhana.com)  
Web: [www.mandhana.com](http://www.mandhana.com)

### Registrar and Share Transfer Agents

Link Intime India Private Limited  
(Unit : Mandhana Industries Limited)  
C-101, 247 Park, L.B.S.Marg,  
Vikhroli (W), Mumbai - 400 083.  
Tel : 91-22-4918 6000  
Fax : 91-22-4918 6060  
email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Web: [www.linkintime.co.in](http://www.linkintime.co.in)

**Branch Offices****Bangalore**

26/A, Peenya II Phase,  
Peenya Industrial Area,  
Near NTTF Bus Stop,  
Bengaluru - 560058.

**New Delhi**

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

**Works****MANDHANA DYEING****(A Division of Mandhana Industries Limited)**

Plot no. E-25, MIDC,  
Tarapur Industrial Area,  
District Palghar – 401 506.

**MANDHANA INDUSTRIES LIMITED****(Garment Division)**

Unit No36/2, Maruti Plaza,  
Madanayakanahalli Village, Dasanapura,  
Hobli, Tumkur Road,  
Bengaluru - 562 123

**MANDHANA WEAVING HOUSE****(A Division of Mandhana Industries Limited)**

Plot no. E-33, MIDC,  
Tarapur Industrial Area,  
District Palghar – 401 506.

**MANDHANA WEAVING HOUSE****(Shirting Division)**

(A Division of Mandhana Industries Limited)  
Plot No. C-2, MIDC,  
Tarapur Industrial Area,  
District Palghar – 401 506.

**MANDHANA INDUSTRIES LIMITED****(Garment Division)**

Plot no. E-132, MIDC,  
Tarapur Industrial Area,  
District Palghar – 401 506.

**MANDHANA DYEING – UNIT II****(A Division of Mandhana Industries Limited)**

Plot No. C-3, MIDC,  
Tarapur Industrial Area,  
District Palghar – 401 506.

**MANDHANA INDUSTRIES LIMITED**

Baramati Hi-Tech Textile Park Ltd.,  
Plot No.17-20, Plot No.E-1/2,  
M.I.D.C. Industrial Area,  
Baramati – 413 133.

**MANDHANA INDUSTRIES LIMITED****(Garment Division)**

No.21-D, 2<sup>nd</sup> Phase,  
Peenya Industrial Area,  
Bengaluru – 560 058.

**MANDHANA INDUSTRIES LIMITED****(Garment Division)**

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



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**Mandhana Industries Limited**

**MANDHANA INDUSTRIES LIMITED**

CIN: L17120MH1984PLC033553

**Registered Office:** Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, Dist. Palghar- 401506

Tel: +91-2525-605 704/05/06 • Fax: +91 22 43539358 • E-mail: cs@mandhana.com

Website: www.mandhana.com

**NOTICE OF THE 33<sup>RD</sup> ANNUAL GENERAL MEETING**

**To,  
The Members,**

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of the Members of **Mandhana Industries Limited** (‘the Company’) will be held at the premises of the Company at Plot No. C-2, MIDC, Tarapur Industrial Area, Boisar, District Palghar - 401 506 on Wednesday, the 20<sup>th</sup> day of September 2017 at 10.30 a.m., for the purpose of transacting the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 and the Reports of the Directors and Auditors thereon, subject to such modifications and amendments as the National Company Law Tribunal may direct pursuant to an application made by the Company for revision of financial statements (along with the Directors Report) for the financial year 2014-15 and financial year 2015-16;
2. To appoint a Director in place of Mr. Purushottam C. Mandhana, (DIN: 00025633) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment; and
3. **Ratification of appointment of the Auditors and to fix their remuneration and to pass the following resolution as an Ordinary Resolution**

*To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by the

Members at the 32<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> December, 2016, the appointment of M/s. KPND & Co., Chartered Accountants (Firm Registration No. 133861W) as the auditors of the Company to hold the office till the conclusion of the 37<sup>th</sup> Annual General Meeting be and is hereby ratified and that the Chairman and Managing Director in consultation with the Auditors, be and is hereby authorized to fix the remuneration payable to them plus Goods and Service Tax (“GST”) and re-imbusement of travelling and out-of pocket expenses, if any, incurred by them for audit purpose.”

**SPECIAL BUSINESS:**

4. **Ratification of the appointment and remuneration of M/s. C.B Modh & Co., Cost Accountant, as the Cost Auditor for the FY 2017-18**

*To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 if any, including any statutory modification(s) or re-enactment thereof, for the time being in force and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. C.B Modh & Co., Cost Accountant, as the Cost Auditor of the Company, to audit the cost records maintained by the Company in respect of the products manufactured by it, which are covered under the Central Excise Tariff Act, 1985, for the Financial Year 2017-18 at a remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus Goods and Service Tax as applicable, be and is hereby ratified.”

5. **Appointment of Mr. Jeenendra Bhandari (DIN: 00050150) as an Independent Director of the Company**

*To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and Regulations 16 and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations’) and all other regulations of the Listing Regulations, (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. Jeenendra Bhandari (DIN: 00050150), Additional Director of the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Jeenendra Bhandari as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as an Independent Director (Non-executive Independent Director) of the Company to hold office from the conclusion of this Annual General Meeting upto 27<sup>th</sup> December, 2021, not liable to retire by rotation, as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice.

**RESOLVED FURTHER THAT** any of the Directors and/or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

**6. Appointment of Mr. Chandrakant Shetty (DIN: 07670406) as an Independent Director of the Company**

*To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof,

for the time being in force), and Regulations 16 and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations’) and all other regulations of the Listing Regulations, (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. Chandrakant Shetty (DIN: 07670406), Additional Director of the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Chandrakant Shetty as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as an Independent Director (Non-executive Independent Director) of the Company to hold office from the conclusion of this Annual General Meeting upto 27<sup>th</sup> December, 2021, not liable to retire by rotation, as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice.

**RESOLVED FURTHER THAT** any of the Directors and/or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

**7. Appointment of Mr. Pandharinath Parab (DIN: 07678456) as an Independent Director of the Company**

*To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and Regulations 16 and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations’) and all other regulations of the Listing Regulations, (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. Pandharinath Parab (DIN: 07678456), Additional Director of



the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Pandharinath Parab as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as an Independent Director (Non- executive Independent Director) of the Company to hold office from the conclusion of this Annual General Meeting upto 27<sup>th</sup> December, 2021, not liable to retire by rotation, as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice.

**RESOLVED FURTHER THAT** any of the Directors and/or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution."

**8. Rescinding the Resolution for change in name of the Company passed in the previous Annual General Meeting held on 30<sup>th</sup> December, 2016**

*To consider and, if thought fit, to pass the following resolution as a Special Resolution:*

**"RESOLVED THAT** on recommendation of the Board of Directors in its meeting held on 1<sup>st</sup> March, 2017,

the consent of the Members be and is accorded for rescinding the resolution for change in name of the Company from 'Mandhana Industries Limited' to 'The Mandhana Industries Limited' together with the corresponding alteration in the Memorandum and Articles of Association of the Company, passed in the previous Annual General Meeting of the Company held on 30<sup>th</sup> December, 2016.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take all necessary actions and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard".

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

**PURUSHOTTAM C. MANDHANA**  
(Chairman and Managing Director)  
DIN: 00025633

**Registered Office:**  
Plot No. C-3, M.I.D.C.,  
Tarapur Industrial Area,  
Boisar, Dist. Palghar - 401 506

**Place :** Mumbai  
**Date :** 9<sup>th</sup> August, 2017

**NOTES:**

1. The Company has made an application to National Company Law Tribunal ('NCLT') under section 131 of the Companies Act, 2013 for seeking revision of the financial statements for the financial year 2014-15 and financial year 2015-16. The matter is pending before the NCLT and the outcome thereof may impact the financial statements (including the Directors Report) of the Company for the financial year 2016-17. Hence, the consent of the Members approving the financial statements for the financial year ended 31<sup>st</sup> March, 2017 and the Reports of the Directors and Auditors thereon is sought, subject to such modifications as the NCLT may direct.  
  
Complete commentary on the aforesaid forms part of the Directors' Report included in Annual Report 2016-17.
2. The relevant Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ('Act') in respect of the business under Item Nos. 4 to 8 of the Notice, is annexed hereto. The relevant details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'), of person/s seeking appointment/re-appointment as Director(s) also forms part of this notice.
3. A Member entitled to attend and vote at the Annual General Meeting ('AGM') is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not



less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total paid-up share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14<sup>th</sup> September, 2017 to Wednesday, 20<sup>th</sup> September, 2017, both days inclusive, ('Book Closure period') for the purpose of Annual General Meeting.
5. Mr. Purushottam C. Mandhana is liable to retire by rotation. He being eligible, offers himself for re-appointment.  
  
None of the Directors or Key Managerial Personnel or their relatives except Mr. Purushottam C. Mandhana himself and Mr. Manish B. Mandhana, is concerned or interested in the said resolution.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ('NECS'), Electronic Clearing Service ('ECS'), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant ('DP'). Changes intimated to the DP will then be

automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agent, M/s. Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Private Limited.

Members holding Shares in physical form are requested to communicate any change in address, immediately to the Company's Registrars and Share Transfer Agent ('RTA'), M/s. Link Intime India Private Limited.

7. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her/its queries to the Company at least seven working days prior to the Meeting, so that the required information can be made available at the Meeting.
9. Members who have not encashed their Interim/ Final Dividend for the financial year ended, 31<sup>st</sup> March, 2010, 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015 are requested to write to the RTA of the Company giving necessary details. Given below is table of dates by which Members can claim the respective unclaimed dividend and dates by which such unclaimed amount shall be transferred to the Investor Education and Protection Fund (IE & PF).

<b>Equity Dividend for Financial year</b>	<b>Date of Declaration of Dividend</b>	<b>Dividend</b>	<b>Date by which unclaimed dividend can be claimed</b>	<b>Proposed date of transfer of Unclaimed Equity Dividend to IE &amp; PF</b>
2009-10	27 <sup>th</sup> September, 2010	7.5%	1 <sup>st</sup> November, 2017	2 <sup>nd</sup> November, 2017
2010-11	29 <sup>th</sup> September, 2011	20%	3 <sup>rd</sup> November, 2018	4 <sup>th</sup> November, 2018
2011-12	20 <sup>th</sup> February, 2012	10%	26 <sup>th</sup> March, 2019	27 <sup>th</sup> March, 2019
2011-12	24 <sup>th</sup> September, 2012	10%	30 <sup>th</sup> October, 2019	31 <sup>st</sup> October, 2019
2012-13	19 <sup>th</sup> September, 2013	20%	25 <sup>th</sup> October, 2020	26 <sup>th</sup> October, 2020
2013-14	18 <sup>th</sup> September, 2014	20%	21 <sup>st</sup> October, 2021	22 <sup>nd</sup> October, 2021
2014-15	30 <sup>th</sup> September, 2015	20%	27 <sup>th</sup> October, 2022	28 <sup>th</sup> October, 2022

10. Pursuant to the provisions of sections 20(2), 101, 136(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Accounts) Rules, 2014, the Company can send the documents like Notices, Annual Reports, etc. in electronic form to its Members, whose email addresses are registered with the Company / RTA / Depositories. Accordingly, this Notice of the 33<sup>rd</sup> AGM along with the Annual Report for FY 2016-17 is being sent by electronic mode to those



shareholders whose email addresses are registered with the Company / RTA / Depositories, unless any Member has specifically requested for a physical copy. For Members who have not registered their email address, the physical copies are being sent by permitted mode of dispatch. Members are requested to support Green initiative by registering/ updating their email addresses with the Depository participant (in case of shares in dematerialized form) or with the RTA (in case shares are held in physical form).

11. We hereby request the Members to note that the documents viz. Annual Report, Notice, etc. will be uploaded on the website of the Company viz. [www.mandhana.com](http://www.mandhana.com) and made available for inspection at the Registered Office as well as the Head Office/ Corporate Office of the Company during the business hours. However, in case a Member wishes to receive a physical copy of the said documents, he / she/it is required to send a letter or an e-mail to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to [cs@mandhana.com](mailto:cs@mandhana.com) duly quoting his / her/ its DP ID & Client ID or Folio number, as the case may be, and the said documents will be dispatched to the Members.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the Members a facility to exercise their right to vote on resolutions proposed to be considered at the 33<sup>rd</sup> Annual General Meeting ('AGM') by electronic means through e-Voting Services. The facility of casting votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited ('CDSL'). In addition, the facility for voting through Ballot Papers shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.
13. Based on the shareholding of the Members, whose names appear in the Register of Members / List of beneficial owners, received from National Securities Depository Limited ('NSDL') / CDSL as on close of the business hours on Wednesday, 13<sup>th</sup> September, 2017 ('cut-off date'), a member shall be entitled to vote by way of remote e-voting or at the AGM. However, a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
14. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
15. The remote e-voting period commences on Saturday, 16<sup>th</sup> September, 2017 (09:00 am) (IST) and ends on Tuesday, 19<sup>th</sup> September, 2017 (5:00 pm) (IST).
16. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 13<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
17. **The instructions for remote e-voting are as under:**
  - (i) Open your web browser and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
  - (ii) Click on "**Shareholders**" tab.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next, enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

a) Now, fill up the following details in the appropriate boxes:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is provided as follow:</p> <p>a) For Members to whom the notice of the AGM has been sent through e-mail, the sequence number has been provided in the body of the e-mail;</p> <p>b) For Members to whom the Notice of the AGM has been sent physically, the sequence number has been provided on the cover page of the Annual Report 2016-17.</p>
DOB*	Enter the Date of Birth as recorded in your Demat Account or in the Company records for the said Demat Account or folio in dd/mm/yyyy format.
Dividend Bank Details*	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

\* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction no. (iii) above.

b) After entering these details appropriately, click on "SUBMIT" tab.

c) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation'

menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the demat account holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- d) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Now, click on the Electronic Voting Sequence Number ('EVSN') of the Company i.e. 170816045. This will take you to the voting page.
- (viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



- (xiv) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney ('POA') which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xv) In case you have any queries or issues/grievance regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). In this regard, you may also write an e-mail to the Company at [cs@mandhana.com](mailto:cs@mandhana.com).
18. Mr. Nitin R. Joshi, Practicing Company Secretary (Membership No. FCS: 1884) (Address: 415, Marathon Max, Next to Udyog Shetra, Junction of L.B.S. Marg and Goregaon Link Road, Mulund (W), Mumbai 400 080) has been appointed as the Scrutinizer to scrutinize the entire voting process in a fair and transparent manner. Scrutinizer's email address is: [n\\_r\\_joshi@yahoo.com](mailto:n_r_joshi@yahoo.com).
19. You can also update your mobile number and email id in the user profile details of the Folio which may be used for sending future communication(s).
20. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of Wednesday, 13<sup>th</sup> September, 2017.
21. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. Wednesday, 13<sup>th</sup> September, 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Company at [cs@mandhana.com](mailto:cs@mandhana.com). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, then you can reset your password by using 'Forgot User Details/Password' option available on [helpdesk.evoting@cdslindia.com](http://helpdesk.evoting@cdslindia.com) or contact CDSL at its toll free no.: 18002005533.
22. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
23. The Chairman shall, at the AGM, at the end of discussion on all the resolutions on which the voting is to be held, allow voting with the assistance of the scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the "remote e-voting" facility.
24. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall submit, within 48 hours from the conclusion of the Annual General Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him / Board of Directors, who shall countersign the same and declare the result of the voting forthwith.
25. The voting results shall be displayed in the prescribed format on the Notice Board of the Company at its Registered Office as well as the Head Office/ Corporate Office. The voting results declared along with the report of the Scrutinizer

shall also be placed on the website of the Company, viz. [www.mandhana.com](http://www.mandhana.com) and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The voting results shall also be forwarded to the Stock Exchanges on which the shares of the Company are listed i.e. BSE Limited & the National Stock Exchange of India Limited.

26. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office as well as the Head Office/ Corporate Office of the Company

during normal business hours (10:30 am to 2.30 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

**PURUSHOTTAM C. MANDHANA**  
**(Chairman and Managing Director)**  
**DIN: 00025633**

**Registered Office:**  
Plot No. C-3, M.I.D.C.,  
Tarapur Industrial Area,  
Boisar, Dist. Palghar - 401 506

**Place :** Mumbai  
**Date :** 9<sup>th</sup> August, 2017



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4:**

**Ratification of the appointment and remuneration of M/s. C.B Modh & Co., Cost Accountant, as the Cost Auditor for the FY 2017-18**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited by a Cost Accountant in practice who shall be appointed by the Board of Directors on such remuneration as may be determined by the Members of the Company. In the previous AGM of the Company held on 30<sup>th</sup> December, 2016, Members had appointed M/s Babulal M. Parihar & Co., Cost Accountant, as the Cost Auditor for the financial year 2016-17. M/s Babulal M. Parihar & Co., Cost Accountant, have tendered their resignation on 2<sup>nd</sup> August, 2017, resulting into casual vacancy in the office of Cost Auditor of the Company as envisaged under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014.

The Board of Directors, on the recommendations of the Audit Committee, in its meeting held on 9<sup>th</sup> August, 2017, has appointed of M/s. C.B Modh & Co., Cost Accountant as the Cost Auditor of the Company for the FY 2017-18 to fill the casual vacancy caused by resignation of M/s. Babulal Parihar & Co., at remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus Goods and Service Tax ('GST'), as may be applicable, subject to the ratification by the Members at the Annual General Meeting.

Accordingly, the resolution at Item No. 4 of the Notice is set out as an Ordinary Resolution for ratification by the Members in accordance with Section 148 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolutions at Item No. 4.

The Board recommends the Resolution at Item No. 4 for approval of the Members.

**Item Nos. 2, 5, 6 and 7:**

**Appointment / Re-appointment of Director and/or Independent Directors**

Mr. Purushottam C. Mandhana, Director is liable to retire by rotation. He being eligible, offers himself for re-appointment.

Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Additional Directors and designated as Non-Executive and Independent Directors on the Board of the Company with effect from 28<sup>th</sup> December, 2016. As per the provisions of section 161 of the Companies Act, 2013, an Additional Director holds office up to the date of the next Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier. The Company has received notice from three Members of the Company under section 160 of the Companies Act, 2013, signifying their intention to propose appointment of Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab respectively, as Independent Directors of the Company, along with a deposit of ₹ 1,00,000/- (Rupees One Lakh only) each.

In terms of Section 149, 152, 160, 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab, being eligible to be appointed as Independent Directors, are proposed to be appointed as the Independent Directors of the Company.

Further, the Company has received the following documents from Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab:

- Letter of consent to act as Director in prescribed Form No. DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Director) Rules, 2014.
- Certificate of Independence under Section 149(7) of the Act.
- Intimation by Director in prescribed Form No. DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under section 164(2) of the Act.
- Disclosure of Interest in Form MBP-1 pursuant to Section 184(1) read with Rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014.

The Board, based on the recommendations of its Nomination and Remuneration Committee, considers that the association of Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab would be of immense benefit to the Company and accordingly the Board recommends the resolutions set forth in Items

5, 6 and 7 for the approval of the Members as an Ordinary Resolution.

Except Mr. Purushottam C. Mandhana himself and Mr. Manish Mandhana none of the other Directors or Key Managerial Personnel ('KMP') or their relatives is in any way concerned or interested, financially or otherwise, in the Resolutions at Item No. 2

Except the Director proposed to be appointed, none of the Directors, KMP of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolutions at Items No. 5, 6 and 7.

Brief profile of Mr. Purushottam C. Mandhana, who retires by rotation at this Annual General Meeting and Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab who are proposed to be appointed as Independent Directors, as required under Secretarial Standard on General Meeting ('SS-2') and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is given herein below:

<b>Name of the Director</b>	<b>Mr. Purushottam C. Mandhana</b>	<b>Mr. Jeenendra Bhandari</b>
<b>Age</b>	62 years	40 years
<b>Qualifications</b>	Commerce graduate from University of Rajasthan.	Fellow Member of The Institute of Chartered Accountants of India and Certified Public Accountant from Delaware, United States
<b>Experience/ Resume/Expertise</b>	Mr. Mandhana has over 41 years of experience in the textile industry. He is well versed with different textile technologies like dyeing and processing. He has successfully set up the weaving unit and has also played a pivotal role in the modernisation of process unit of the Company. Under his administrative supervision, the Company's export division has performed consistently. He currently oversees the overall management of all the divisions of the Company.	Mr. Jeenendra Bhandari is Partner at MGB & Co LLP, Chartered Accountants, one of India's respected full services chartered accountancy firm. He has more than 18 years of experience and currently leads the Business consulting unit of the firm. He has completed his Bachelor's degree from Narsee Monjee College and his Master's degree from Sydenham College and qualified as a Chartered Accountant, at 21 years. He is also a Certified Public Accountant from Delaware, United States. Prior to joining MGB as a partner, he was with the Tax, Regulatory and Business Advisory practice of Arthur Andersen at Mumbai. In 2015, he was awarded "Best work in other social services" for chartered accountants by ICAI. He is also a certified Insolvency Professional registered with Insolvency and Bankruptcy Board of India and advises companies needing guidance in the new insolvency law.
<b>Terms and conditions of re-appointment</b>	To perform the duties of Director in accordance with the provisions of the Companies Act, 2013 and such other statues, rules and regulations as may be applicable to the Company.	To perform the duties of Independent Directors in accordance with the provisions of the Companies Act, 2013 and such other statues, rules and regulations as may be applicable to the Company.
<b>Remuneration to be paid to the Director</b>	As approved by the Members of the Company in the previous AGM held on 30 <sup>th</sup> December, 2016, subject to the provision of Schedule V of the Companies Act, 2013, if and to the extent necessary.	NIL



<b>Name of the Director</b>	<b>Mr. Purushottam C. Mandhana</b>	<b>Mr. Jeenendra Bhandari</b>
<b>Remuneration last drawn by the Director</b>	Details provided in the Corporate Governance Report annexed herewith.	NIL
<b>Date of first appointment on the Board</b>	1 <sup>st</sup> October, 1993	28 <sup>th</sup> December, 2016
<b>Shareholding</b>	21,39,681	NIL
<b>Relationship with other Directors, Manager and KMP</b>	Mr. Purushottam C. Mandhana is uncle of Mr. Manish B. Mandhana.	Not related to any Director, Manager or KMP
<b>Number of Board meetings attended during the financial year (2016-17)</b>	5	1
<b>Directorships, Membership/ Chairmanship of Committees in other Companies*</b> <i>*Membership/Chairmanship of Audit and Stakeholders Relationship Committee only is provided.</i>	<p><b>He is a Director in the following other Companies:</b></p> <ol style="list-style-type: none"> <li>1. Mandhana - WD Limited;</li> <li>2. Sundhya Chhaya Finvest Private Limited;</li> <li>3. Dhumketu Finvest Private Limited</li> <li>4. CKM Investment Private Limited</li> </ol> <p>He is a neither a Member nor a Chairperson of the Committees in any other Company.</p>	<p><b>He is a Director in the following other Companies:</b></p> <ol style="list-style-type: none"> <li>1. Grayquest Education Finance Private Limited</li> <li>2. Marudeva Nirman Private Limited</li> <li>3. Stalice Consulting Private Limited</li> <li>4. Meddiff Technologies Private Limited</li> <li>5. Madhuban Electric Company Private Limited</li> <li>6. Sensex Finanical Services Private limited</li> <li>7. Chandramohan Foundation</li> </ol> <p>He is a neither a Member nor a Chairperson of the Committees in any other Company.</p>
<b>Justification</b>	The Company believes that the knowledge and vast experience of Mr. Purushottam C. Mandhana and Mr. Jeenendra Bhandari will be of immense benefit to the Company.	

<b>Name of the Director</b>	<b>Mr. Chandrakant Shetty</b>	<b>Mr. Pandharinath Parab</b>
<b>Age</b>	55 years	45 years
<b>Qualifications</b>	Commerce graduate from Mumbai University	Qualified Optometrist
<b>Experience/ Resume/Expertise</b>	Mr. Shetty has over 37 years of experience in various industries in the fields of Accounting, Auditing and Money Management. He is currently associated with the Western railways, Cash & Pay Department. He was previously associated in different capacity with Sahakari Chemicals, Pvt. Ltd., A.H. Contractor & Co., Chartered Accountants, M.K.D. Films & Rajshri Pictures Pvt. Ltd.	Mr. Parab has around 10 years of experience in optometry. He is also engaged in commercial real estate consultancy and has around 15 years of experience in the real estate consultancy profession. He had closely worked with top corporate offices in finalizing commercial properties deals.
<b>Terms and conditions of re-appointment</b>	To perform the duties of Independent Directors in accordance with the provisions of the Companies Act, 2013 and such other statues, rules and regulations as may be applicable to the Company.	
<b>Remuneration to be paid to the Director</b>	NIL	
<b>Remuneration last drawn by the Director</b>	NIL	



Name of the Director	Mr. Chandrakant Shetty	Mr. Pandharinath Parab
Date of first appointment on the Board	28 <sup>th</sup> December, 2016	
Shareholding in the Company	NIL	
Relationship with other Directors, Manager and KMP	Not related to any Director, Manager or KMP.	
Number of Board meetings attended during the financial year (2016-17)	1	
Directorships, Membership/ Chairmanship of Committees in other Companies* <i>*Membership / Chairmanship of Audit and Stakeholders Relationship Committee only is provided</i>	<p><b>He is a Director in the following other Companies:</b></p> <p>1. Primary Cuisine Private Limited.</p> <p>He is a neither a Member nor a Chairperson of the Committees in any other Company.</p>	<p><b>He does not hold Directorship in any other Company.</b></p> <p>He is a neither a Member nor a Chairperson of the Committees in any other Company.</p>
Justification	The Company believes that the knowledge and vast experience of Mr. Chandrakant Shetty and Mr. Pandharinath Parab will be of immense benefit to the Company.	

**Item No. 8.****Rescinding the Resolution for change in name of the Company passed in the previous Annual General Meeting held on 30<sup>th</sup> December, 2016**

In the previous Annual General Meeting (AGM) of the Company held on 30<sup>th</sup> December, 2016, the Members of the Company has approved the resolution for changing the name of the Company from 'Mandhana Industries Limited' to 'The Mandhana Industries Limited' together with the corresponding alteration in the Memorandum and Articles of Association of the Company ('said resolution').

However, the management of the Company has, after series of deliberations and discussions with the Board of Directors measured that the said change in the name of the Company would be undesirable and may affect the goodwill and the reputation created by the brand 'Mandhana' since 1984 i.e. the year of incorporation of the Company. In view of the above, the Board of Directors in its meeting held on 1<sup>st</sup> March, 2017 proposed to rescind the said resolution passed by the Members of the Company at the previous AGM held on 30<sup>th</sup> December, 2016.

The Secretarial Standard - 2 on General Meeting provides that a resolution passed at a General Meeting can only be rescinded by a resolution passed at a subsequent General Meeting. Therefore, approval of the Members is sought for rescinding the resolution for changing the name of the Company from 'Mandhana Industries Limited' to 'The Mandhana Industries Limited' together with the corresponding alteration in the Memorandum and Articles of Association of the Company passed by the Members in the previous AGM held on 30<sup>th</sup> December, 2016.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolutions at Item No. 8.

The Board recommends the Special Resolution at Item No. 8 for approval of the Members.

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

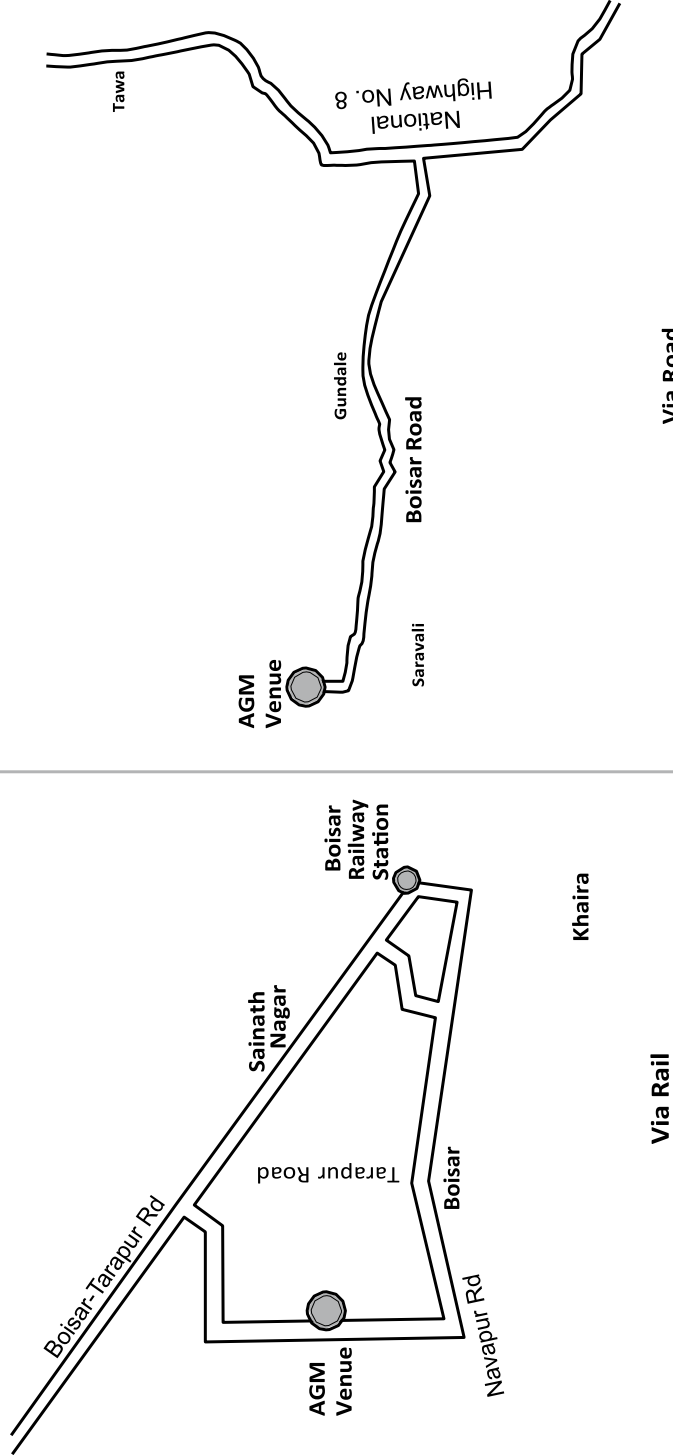
**PURUSHOTTAM C. MANDHANA**  
**(Chairman and Managing Director)**  
**DIN: 00025633**

**Registered Office:**  
Plot No. C-3, M.I.D.C.,  
Tarapur Industrial Area,  
Boisar, Dist. Palghar - 401 506

**Place :** Mumbai  
**Date :** 9<sup>th</sup> August, 2017



**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING**



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present to you the 33<sup>rd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL HIGHLIGHTS

	(Rupees in Lakh)	
	2017	2016
Total Turnover	51,671.16	164,660.61
Other Income	355.52	1,343.53
Profit Before Interest, Depreciation and Taxation	-55,833.36	25,416.64
Less: 1. Interest	13,805.06	11,899.14
2. Depreciation	5,207.46	4,013.60
<b>Profit Before Taxation</b>	<b>-74,845.88</b>	9,503.90
Less: Provision for Taxation		
Current Tax	-	3,218.28
Deferred Tax	-1,000.61	182.12
Net Profit for the Year	-73,845.27	6,103.50
Less: Income Tax paid for earlier year	-997.15	69.07
<b>Profit after Taxation</b>	<b>-72,848.13</b>	6,034.43
Add: Other Comprehensive Income	98.26	55.97
<b>Total Comprehensive Income</b>	<b>- 72,749.87</b>	6,090.40
Add: Balance of Profit from earlier years	40,645.75	34,877.72
Amount available for Appropriations	-32,104.12	40,968.12
Add: Transfer from Debenture Redemption Reserve	-	475.00
Less: Dividend	-	662.48
Tax on distributed Profits	-	134.88
<b>Balance carried forward</b>	<b>-32,104.12</b>	40,645.75

**Notes:** Previous years' figures have been reclassified/regrouped wherever necessary, to correspond with those of the current year.



## **COMPANY PERFORMANCE AND BUSINESS OVERVIEW**

The total revenue from operations for the year 2016-17 was ₹ 51,671.16 Lakh. The total loss before tax was ₹ 74,845.88 Lakh mainly due to subdued manufacturing operations, lower profitability, write off of inventories on account of non-moving/slow moving obsolescence stock which was part of closing stock for FY 2014-15 and FY 2015-16.

The Company also suffered financial crunch due to non-enhancement of working capital facilities from past two years by working capital lenders, on account of which the procurement of fresh raw material suffered badly, ultimately leading to low production and consequent decline in sales.

Further, due to poor market conditions coupled with its liquidity crisis, the Company took a conscious call to reduce its trading business which further resulted in reduction in revenues.

A detailed discussion of operations for the year ended 31<sup>st</sup> March, 2017 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2016-17**

**Application to National Company Law Tribunal (NCLT) under section 131 of the Companies Act, 2013 seeking revision of the financial statements for the financial year 2014-15 and financial year 2015-16**

During the financial years 2014-15 and 2015-16, the Management of the Company has valued the inventories estimating that the net realizable value of such inventories would be higher than the cost of total inventories, as the management was optimistic of a favourable turn-around in the prices and other external factors impacting the textile business. It was assumed that the slow moving stocks which had been piled up in course of business would be cleared at a price not less than the cost based on the past experience of the management. In light of the above, the cost of inventory taken in the financial statements in the F.Y. 2014-15 and F.Y. 2015-16 was based purely on estimation and reasoning suggesting the net realizable value to be higher than cost based on past experiences of the management.

Subsequently, during the financial year 2016-17 the inventories were categorized as slow moving stock which had become obsolete over the period of time on account of unfavourable market conditions. Hence, the management

has decided to sell such inventories at a loss, which has been reflected in the financial statements of the Company for the financial year 2016-17, causing an abnormal loss to the Company which should have been appropriated in the previous two financial years i.e. FY 2014-15 and FY 2015-16 as the stocks had been with the Company since then.

The Board of Directors, after considering the aforesaid, vide a circular resolution passed on 16<sup>th</sup> March, 2017, authorized the Company to make an application to NCLT seeking revision of the Financial Statements (along with the Directors Report) for the financial year 2014-15 and 2015-16 in order to proportionately reflect the reduction in valuation of inventory based on market conditions and external factors in the financial statements for the financial years 2014-15, 2015-16 and 2016-17.

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

Except the changes which have occurred during the financial year 2016-17, stated hereinabove, no material changes and commitments has occurred after the close of the year till the date of this report, which affect the financial position of the Company.

## **DIVIDEND**

In view of the losses, your Company does not recommend any dividend for the year under review.

## **TRANSFER TO RESERVE**

Nil.

## **CORPORATE GOVERNANCE**

Reports on Corporate Governance and Management Discussion and Analysis, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), along with a certificate from Auditors regarding compliance of the Corporate Governance are given separately in this Annual Report.

All Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year 2016-17. A declaration to this effect signed by the Chairman and Managing Director of the Company is contained in this annual report.

**PUBLIC DEPOSIT**

Your Company has not accepted any Public deposits under Chapter V of Companies Act, 2013.

**NON CONVERTIBLE DEBENTURES (NCDs)**

During the financial year 2016-17 the Company has defaulted in redeeming Secured Redeemable Non-Convertible Debentures (NCDs) for an amount aggregating to ₹ 24,00,00,000 (Rupees Twenty Four Crore only) on account of stretched financial conditions of the Company. The details of outstanding NCDs as on 31<sup>st</sup> March, 2017 are provided in annexure to Note No. 11 on Long Term Borrowings forming part of Financial Statements contained in the Annual Report.

IDBI Trusteeship Services Limited is the Debenture Trustee for the Debenture holders whose details are provided in the Corporate Governance Section of the Annual Report.

The applicable listing fees have been paid to the Stock Exchange.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013, Mr. Purushottam C. Mandhana retires by rotation at the ensuing Annual General Meeting ('AGM') and is eligible for re-appointment. The Board of Directors has recommended his reappointment for consideration of the Members in the AGM.

The Board of Directors of the Company in its meeting held on 28<sup>th</sup> December 2016 has appointed Mr. Jeenendra Bhandari (DIN: 00050150), Mr. Chandrakant Shetty (DIN: 07670406) and Mr. Pandharinath Parab (DIN: 07678456), as Additional Directors (Non-Executive and Independent Director) of the Company, who hold office up to the date of this Annual General Meeting (AGM), under the provisions of Article 149 of the Articles of Association of the Company and Sections 149, 150, 152 and 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'). The Company has received notices from Members proposing their appointment as Independent Directors of the Company, in accordance with the provisions of Section 149 of the Act, to hold office as per their tenure of appointment mentioned in the Notice of the ensuing Annual General Meeting of the Company. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act.

Brief details of Directors proposed to be appointed/re-appointed as required under Regulation 36(3) of Listing Regulations are provided in the explanatory statement annexed to the notice of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under the Act and Regulation 16(1)(b) Listing Regulation.

The members' approval is being sought at the ensuing Annual General Meeting for the above appointments.

During the financial year 2016-17, there was a realignment in the role of Mr. Manish Mandhana, from the office of Joint Managing Director to Non-Executive Director of the Company w.e.f. 1<sup>st</sup> March, 2017.

Mrs. Sangeeta Mandhana has resigned as the Director of the Company with effect from 20<sup>th</sup> March, 2017, on account of her pre-occupations and prior commitments. The Company places on record the valuable contribution made by Mrs. Mandhana during her extensive tenure as Directors with the Company. The Company is searching for a competent Woman Director having the requisite experience and expertise to discharge the functions of the Director in line with the provisions of the Act and Listing Regulations.

Mr. Vinay Sampat has resigned from the post of the Company Secretary and Compliance Officer of the Company w.e.f. 20<sup>th</sup> May, 2017. The Company expresses its appreciation of the incomparable work performance displayed during his tenure with the Company as Company Secretary and Compliance Officer.

The Board of Directors of the Company in its meeting held on 9<sup>th</sup> August, 2017 has appointed Ms. Divya Mer as the Company Secretary and Compliance Officer of the Company w.e.f. 16<sup>th</sup> August, 2017.

It has been challenging for the Company to attract people on its Board in view of the fact that the performance of the Company during the period was sub-optimal. The Management is however confident of appointing a Woman Director in the near future.

**BOARD EVALUATION**

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation



criteria taking into consideration various performance related aspects.

The Company's Independent Directors met on 1<sup>st</sup> March, 2017 without the presence of Executive Directors or Members of the Management. All the Independent Directors attended the Meeting. The Board of Directors has expressed their satisfaction with the evaluation process.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

Five (5) Board Meetings and One (1) Board Meeting which was adjourned, were convened and held during the financial year 2016-17. Details of meetings of the Board and its Committees alongwith the attendance of the Directors therein have been disclosed in the Corporate Governance Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES**

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The Whistle Blower Policy is posted on the website of the Company and the web-link to the same is <http://www.mandhana.com/investorRelation.php>

**AUDIT COMMITTEE**

As on 31<sup>st</sup> March, 2017, the Audit Committee comprised of four members viz. 3 Independent Directors and 1 Executive Director, given as under:

1.	Mr. Jeenendra Bhandari - Chairman
2.	Mr. Chandrakant Shetty
3.	Mr. Pandharinath Parab
4.	Mr. Purushottam C. Mandhana

Further details on the Audit Committee are provided in the Corporate Governance Section.

**NOMINATION AND REMUNERATION POLICIES**

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also formulated a Policy relating to remuneration of Directors, Members of Senior Management and Key Managerial Personnel.

Details of the Nomination and Remuneration Policy are given under Annexure - 'A' to this Report.

**RISK MANAGEMENT POLICY**

The Company has in place a Risk Management framework to identify, measure and mitigate business risks and threats. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage.

This risk framework thus helps in managing market, credit and operations risks and quantifies exposure and potential impact at a Company level.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

No loans, guarantees or Investments covered under sections 186 of the Companies Act, 2013, have been given or provided during the year.

**RELATED PARTY TRANSACTIONS**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material under Regulation 23 of Listing Regulations. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC - 2 is not applicable. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed through the following link: <http://www.mandhana.com/investorRelation.php>. Your Directors draw attention of the members to Note no. 33 to the financial statements which sets out related party disclosures.

Prior omnibus approval of the Audit Committee has been obtained for transactions with related parties which were of a foreseeable and repetitive nature for the FY 2016-17. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties were placed before the Audit Committee and Board of Directors for their review on a periodic basis.

## MANAGERIAL REMUNERATION

### Remuneration to Directors and Key Managerial Personnel

- i. The percentage increase in remuneration of each Director and Company Secretary during FY 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-17 are as under:

Sr. No.	Name of Director /KMP and Designation	Remuneration of Director/ KMP for FY 2016-17 (In ₹)	% increase/ decrease in remuneration in FY 2016-17	Ratio of remuneration of each Whole-Time Director to median remuneration of employees
1.	Mr. Purushottam C. Mandhana - Chairman & Managing Director	65,78,315	-73.04%	50.80
2.	Mr. Manish B. Mandhana*- Non-Executive Director	60,30,120 (Remuneration paid upto 28.02.2017 as Jt. Managing Director)	N.A	N.A
		25,000 (Sitting Fees for attending the Board Meeting held on 01.03.2017 in the capacity of Non-Executive Director)	N.A	N.A
3.	Mr. Biharilal C. Mandhana* - Executive Director	Nil	N.A	N.A
4.	Mr. Ghyanendra Nath Bajpai † - Non-Executive & Independent Director	1,25,000	N.A	N.A
5.	Mr. Khurshed M. Thanawalla † - Non-Executive & Independent Director	1,25,000	N.A	N.A
6.	Mr. Dilip G. Karnik † - Non-Executive & Independent Director	1,25,000	N.A	N.A
7.	Mr. Prashant K. Asher † - Non-Executive & Independent Director	Nil	N.A	N.A
8.	Mrs. Sangeeta Mandhana ^ - Non-Executive Director	1,00,000	N.A	N.A
9.	Mr. Jeenendra Bhandari © - Non-Executive & Independent Director	45,000	N.A	N.A
10.	Mr. Chandrakant Shetty © - Non-Executive & Independent Director	45,000	N.A	N.A
11.	Mr. Pandharinath Parab © - Non-Executive & Independent Director	55,000	N.A	N.A
12.	Mr. Vinay Sampat § - Vice President - Legal & Company Secretary	23,54,028	Nil	N.A.
13.	Ms. Divya Mer & - Company Secretary & Compliance Officer	N.A	Nil	N.A

\* Role of Mr. Manish Mandhana was re-aligned from Joint Managing Director to Non-Executive Director of the Company with effect from 1<sup>st</sup> March, 2017. Mr. Biharilal C. Mandhana has resigned as Director of the Company w.e.f. 10<sup>th</sup> June, 2016. Hence, the remuneration, if any, paid to them in FY 2016-17 is not comparable to FY 2015-16.

† Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher has ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

^ Mrs. Sangeeta Mandhana has ceased to be Non-Executive Director of the Company with effect from 20<sup>th</sup> March, 2017.

© Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Additional Directors at designation of Non-Executive and Independent Directors of the Company w.e.f. 28<sup>th</sup> December, 2016.

§ Mr. Vinay Sampat has ceased to be the Company Secretary and Compliance officer of the Company w.e.f. 20<sup>th</sup> May, 2017.

& Ms. Divya Mer was appointed as the Company Secretary and Compliance officer of the Company w.e.f. 16<sup>th</sup> August, 2017 and as such no remuneration was paid to her during the Financial Year 2016-17.



**Note:**

- 1) *On account of losses incurred in the financial year 2016-17, remuneration paid to Executive Directors were pursuant to provision of Section II of Part II of Schedule V read with sections 196 and 197 of the Act and approval of Members vide a resolution passed in the 32<sup>nd</sup> AGM of the Company. In view of this, a recourse was made to Section II of Part II of Schedule V, which authorizes the Company having inadequate profits/ losses to pay remuneration to its Executive Directors, without Central Government approval, based on the calculation of Effective Capital of the Company as per its last audited accounts. The remuneration paid to the Executive Directors of the Company was, therefore, restricted to ₹ 65,78,315 per annum per executive director based on the Effective Capital of the Company as on 31<sup>st</sup> March, 2016.*
  - 2) *Remuneration paid to each Whole-Time Director excludes contribution to provident fund, superannuation fund or annuity fund and gratuity in terms of Section II of Part II of Schedule V to the Act. Remuneration paid to KMP includes Salary, allowances, company's contribution to provident fund and monetary value of perquisites, if any. The remuneration paid to Non-Executive and/or Independent Directors comprises of sitting fees only.*
- ii. The median remuneration of employees of the Company during FY 2016-17 was ₹ 1,29,504 /-;
  - iii. In the financial year under review, there was an increase of 14.09% in the median remuneration of employees;
  - iv. There were 3,886 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017;
  - v. Average percentage increase in the salaries of employees other than the managerial personnel in the FY 2016-17 was 8.16% as compared to FY 2015-16. Average percentage decline in the Managerial Remuneration in the FY 2016-17 was 73.04% as compared to FY 2015-16.
  - vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement and forms part of the Annual Report. Further, this report is being sent to the Members excluding the said statement. The said statement is available for inspection of Members at the Registered Office of the Company during working hours upto the date of the Annual General Meeting and shall be made available to any shareholder on request. The said statement is also available on the website of the Company, [www.mandhana.com](http://www.mandhana.com).

**CREDIT RATING**

During the year under review, CARE Rating Agency has revised its ratings for Non-Convertible Debentures and Long Term and Short Term Banking facilities, the details of which are as under:

Facilities	Rating as on 31 <sup>st</sup> March, 2017	Rationale
Non-Convertible Debentures	CARE D (Single D)	Due to delays in servicing the debt obligations of the Company on account of stretched liquidity position
Long term and Short term Bank facilities	CARE D (Single D)	

**STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s. Vishal H. Shah & Associates, Chartered Accountants stepped down as the Statutory Auditors of the Company w.e.f 8<sup>th</sup> September, 2016 on account of their pre-occupation.

Subsequently, the Members of the Company in the 32<sup>nd</sup> Annual General Meeting of the Company held on 30<sup>th</sup> December, 2016 have appointed M/s. KPND & Co., Chartered Accountants (FRN: 133861W) as the Statutory Auditors of the Company to hold office till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in calendar year 2021.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, the appointment of the Statutory Auditors is required to be ratified by the Members at every Annual General Meeting during their tenure. In accordance with section 139 of the Companies Act, 2013, the Board of Directors on recommendation of Audit Committee, in its meeting held on 9<sup>th</sup> August, 2017 has recommended the ratification of M/s. KPND & Co., Chartered Accountants (FRN: 133861W), as the Statutory Auditors of the Company.

With regard to defaults made by the Company in repayment of dues to the banks and debenture holders and payment of Income Tax, as mentioned in the Auditor's Report, we state that the said defaults were made on account of stretched financial conditions of the Company and the Company will endeavor to repay the said amounts at the earliest. The Auditors' Report and notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.



There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Companies Act 2013.

### **COST AUDIT REPORT**

M/s. Babulal M. Parihar & Co., Cost Accountant, were appointed, subject to approval of the Members in the ensuing AGM, as the Cost Auditors of the Company for the financial year 2017-18 for conducting Cost Audit in respect of products manufactured by the Company under the Cost Audit Rules. However, M/s. Babulal M. Parihar & Co., Cost Accountant, have tendered their resignation from the post of Cost Auditor w.e.f. 2<sup>nd</sup> August, 2017, resulting into casual vacancy in the office of Cost Auditor of the Company as envisaged by Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014.

The Board of Directors at its meeting held on 9<sup>th</sup> August, 2017, has appointed of M/s. C.B. Modh & Co., Cost Accountant as the Cost Auditor of the Company to fill the casual vacancy, for the FY 2017-18 at remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus Goods and Service Tax ("GST") and / or any other tax, as may be applicable, subject to approval of the Members in the ensuing AGM. As required under Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by Members to the appointment of M/s. C.B. Modh & Co., as the Cost Auditor along with the remuneration that is to be paid to them for the financial year ending 31<sup>st</sup> March, 2018.

The Company is in process of filing the Cost Audit Report, as placed before the Board of Directors in its Meeting held on 9<sup>th</sup> August, 2017, for the financial year ended 31<sup>st</sup> March, 2017 with the Central Government.

### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Company has appointed Mr. Nitin R. Joshi, Practicing Company Secretary (Certificate of Practice No. 1884 and Membership No. FCS-3137) as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure - 'B' and forms an integral part of this Report.

Mr. Purushottam C. Mandhana, Chairman & Managing Director possesses extensive proficiency for financial and risk management operations garnered through his association with the Company from its inception and vast experience in the textile industry. He also heads the Finance Department of the Company and performs required duties and functions of a Chief Financial Officer.

Management's response on the constitution of Board of Directors and the reasons for exceeding the time line for holding the Audit Committee meeting beyond the stipulated period of 120 days are provided in the Corporate Governance report annexed herewith.

The explanation for not spending the mandatory amount towards the CSR initiative of the Company is provided in the CSR Report annexed herewith.

The explanation for the defaults made by the Company in honoring its debt obligations is provided in the "Statutory Auditors and Auditors' Report" section herein above.

The delay in filling the casual vacancy in the office of Statutory Auditor and Independent Directors has occurred mainly due to time involved for identifying suitable and experienced person having the requisite expertise to perform the function of Statutory Auditors and Independent Directors. The said casual vacancies were filled, as soon as the ideal persons were identified for the said post.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The statements referred in the Secretarial Audit Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Annual Report on Corporate Social Responsibility activities for FY 2016-17 is enclosed as Annexure - 'C'.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has no subsidiary, Joint Venture and Associate Company as on 31<sup>st</sup> March, 2017.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls in place with reference to financial statements. These are continually reviewed by the Company to strengthen the same wherever required. The internal control systems are supplemented by internal audit carried out by an independent firm of Chartered Accountants and



periodical review by management. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and the Statutory Auditors.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under sub section (3)(c) and (5) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that;

- i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, 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 judgments 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual financial statements on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 134(3)(2) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2017 are provided under Annexure – 'D' to this report.

#### **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in prescribed Form No. MGT-9 is provided under Annexure - 'E' forming part of this Report.

#### **OTHERS**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The details relating to deposits, covered under Chapter V of the Act, since neither has the Company accepted deposits during the year under review nor were there any deposits outstanding during the year.
2. Details relating to issue of equity shares including sweat equity shares, stock options, and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.
3. None of the Whole-Time Directors of the Company received any remuneration or commission from any of its subsidiaries.

Your Directors further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **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 on behalf of the Board of Directors**

**PURUSHOTTAM C. MANDHANA**  
**(Chairman and Managing Director)**

**Place** : Mumbai

**Date** : 9<sup>th</sup> August, 2017

## ANNEXURE – ‘A’ to Directors’ Report

### NOMINATION AND REMUNERATION POLICY

#### 1. PREAMBLE

- 1.1 Mandhana Industries Limited (the ‘**Company**’) recognizes the importance of attracting, retaining and motivating personnel of high calibre and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.
- 1.2 The Companies Act, 2013 vide sub-section (3) of section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.
- 1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by:
- 1.3.1. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014; and
  - 1.3.2. ensuring that the nomination processes and remuneration policies are equitable and transparent.
- 1.4 The responsibilities of the Nomination and Remuneration Committee include:
- 1.4.1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - 1.4.2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - 1.4.3. devising a policy on diversity of board of directors;
  - 1.4.4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal; and
  - 1.4.5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- 1.5 This Nomination and Remuneration Policy has been formulated with a view to:
- 1.5.1 devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;
  - 1.5.2 encourage personnel to perform to their highest level;
  - 1.5.3 provide consistency in remuneration throughout the Company;
  - 1.5.4 offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company; and
  - 1.5.5 set out the approach to diversity on the Board as delineated in the **Annexure** to this Policy.
- 1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company in determining the appropriate remuneration policy for the Company.



1.7 The Nomination and Remuneration Policy applies to the Company's senior management employees, including its Key managerial personnel and Board of Directors.

## 2. DEFINITIONS

Some of the key terms used in the Nomination and Remuneration Policy are as under:

2.1 '**Board**' means the Board of Directors of Mandhana Industries Limited or the Company.

2.2 '**Committee**' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013.

2.3 '**Director**' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.

2.4 '**Employee**' means every senior management employee, including Key managerial personnel and directors on the Board.

2.5 '**Key managerial personnel**' includes managing director, or Chief Executive Officer or manager and in their absence, a whole-time director; company secretary; and Chief Financial Officer.

2.6 '**Member**' means a director of the Company appointed as member of the Committee.

2.7 '**Nomination and Remuneration Policy**' shall mean the policy of remuneration of directors, key managerial personnel and other employees of the Company determined by the Nomination and Remuneration Committee.

2.8 '**Senior management**' or '**Senior management employees**' means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

## 3. NOMINATION AND REMUNERATION COMMITTEE

3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Board of the Company shall nominate directors as Members of the Committee from time to time.

3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries.

3.3 The presently nominated members of the Committee are :

- 1) Mr. Chandrakant Shetty (Chairman)
- 2) Mr. Jeenendra Bhandari
- 3) Mr. Pandharinath Parab

## 4. LETTER OF APPOINTMENT OR CONTRACT OF EMPLOYMENT

4.1 The Company shall issue a Letter of Appointment to Non-executive directors setting out the terms and conditions, if any and the same shall be approved by the Board in consonance to the provision of the Companies Act, 2013 and applicable Regulations of the Listing Regulations and any amendments thereto.

4.2 Executive directors, key managerial personnel and senior management employees shall enter into a contract with the Company or a Letter of Appointment shall be issued by the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment/Letter of Appointment may set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

4.3 The Committee and the Board shall approve the contracts of employment/letter of appointment of directors and Key Managerial Personnel. For senior management employees, such appointments shall be considered and approved either by the Executive Chairman or by the Managing Director of the Company and brief particulars of such appointment(s) made by the Executive Chairman or by the Managing Director shall be placed before the Committee at regular intervals for its noting and ratification.

The Board shall disclose the terms and conditions of any contract of employment / letter of appointment in accordance with the law.

## 5. REMUNERATION STRUCTURE

### 5.1 REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board shall, in consultation with the Committee approve and finalize the forms of remuneration to be offered to directors and key managerial personnel. The remuneration package shall be composed of amounts that are fixed and variable and the endeavour of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company and its shareholders over time.

#### 5.1.1 Fixed Remuneration

The contract of employment / letter of appointment entered into by the executive directors / key managerial personnel with the Company shall demarcate the cost to the Company, fixed gross salary or base salary payable to the employee. The fixed remuneration or salary shall be determined according to complexities of the position and role of the executive directors / key managerial personnel, the relevant laws and regulations, conditions prevalent in the labour market and the scale of the business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company.

#### 5.1.2 Performance Based Remuneration or Incentive-Based Payments

The performance-based or incentive-based payments may form part of the variable component of the salary payable to the executive directors / key managerial personnel. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting short and long term performance objectives appropriate to the working of the Company and designed to lay emphasis on the direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon the attainment of specific performance targets by executive directors / key managerial personnel in the Company. Incentive-based payments take into account

factors such as performance of the executive directors / key managerial personnel, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

#### 5.1.3 Severance Fees or Termination Benefits

Each contract of employment / letter of appointment entered into by the executive directors and key managerial personnel with the Company may demarcate in advance the entitlement to payment upon termination of employment for each employee. Making of such payments shall be approved by the Board and the Committee and shall be in consonance with the Nomination and Remuneration Policy of the Company.

#### 5.1.4 Employee Benefits

The Company shall comply with all legal and industrial obligations in determining the benefits available with employees, namely short-term benefits such as salaries, social security contributions, profit sharing and bonuses, post-employment benefits such as gratuity, pension retirement benefits, post-employment life insurance and post-employment medical care; other long-term employee benefits, including long-service leave, long-term disability benefits and termination benefits.

### 5.2 REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Non-executive directors shall be paid sitting fees for attending each of the Meetings of the Board of Directors and Committees as may be approved by the Board of Directors from time to time. The Non-executive directors may be paid commissions and other benefits as may be prescribed by the Board of Directors in conformity of the applicable provisions of the Companies Act, 2013 and rules notified thereunder from time to time.

## 6. DISCLOSURES

6.1 The Nomination and Remuneration Policy shall be disclosed in the Board's report of the Company prepared in accordance with sub-section (3) of section 134 of the Companies Act, 2013.

6.2 The Nomination and Remuneration Policy and the criteria for evaluation of performance or evaluation



criteria as laid down by the Committee shall be disclosed in the Annual Report of the Company.

- 6.3 Payments to non-executive directors shall be either disclosed in the Annual Report of the Company or put up on the website of the Company and reference drawn thereto in the Annual Report. Further, the number of shares and convertible instruments held by non-executive directors shall be disclosed by the Company in its Annual Report.
- 6.4 With regard to payment of remuneration, the section on the corporate governance of the Annual Report of the Company shall contain the following disclosures, namely :
- 6.4.1 All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
- 6.4.2 Details of fixed component and performance linked incentives, along with the performance criteria;
- 6.4.3 Service contracts, notice period, severance fees; and
- 6.4.4 Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

## **7. REVIEW AND IMPLEMENTATION**

- 7.1 The Executive Chairman or the Managing Director shall conduct an evaluation of performance for senior management employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.
- 7.2 The Committee shall be responsible for monitoring the implementation of the Nomination and Remuneration Policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company.

## **8. AMENDMENT**

The Board of Directors reserves the right to amend or modify the Nomination and Remuneration Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees,

key managerial personnel and senior management employees unless the same is notified to them in writing.

## **Annexure to Nomination and Remuneration Policy**

### **BOARD DIVERSITY POLICY**

#### **1. PURPOSE**

This Board Diversity Policy ('Policy') sets out the approach to diversity on the Board of Directors ('Board') of Mandhana Industries Limited ('MIL'/the Company').

#### **2. SCOPE**

This Policy applies to the Board. It does not apply to employees generally.

#### **3. POLICY STATEMENT**

MIL recognizes and embraces the importance of a diverse Board in its success. MIL believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

MIL believes that a diverse Board will contribute to the achievement of its strategic and commercial objections, including to:

- Drive business results;
- Make corporate governance more effective;
- Enhance quality and responsible decision making capability;
- Ensure sustainable development; and
- Enhance the reputation of the Company.

The Nomination and Remuneration Committee ('Committee') is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical

conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

Accordingly, the Committee shall:

- Assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board;
- Make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board; and
- Periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Regulations and the statutory, regulatory and contractual obligations of the Company.

The effective implementation of this Policy requires that shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. To this end, MIL shall continue to provide sufficient information to shareholders about the size, qualifications and characteristics of each Board member.

#### **4. RESPONSIBILITY AND REVIEW**

The Committee will review this Policy periodically and recommend appropriate revisions to the Board.

#### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PURUSHOTTAM C. MANDHANA**  
**(Chairman and Managing Director)**



## **ANNEXURE – ‘B’ to Directors’ Report**

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**Mandhana Industries Limited**  
205-214, Peninsula Centre,  
Dr. S.S. Rao Marg, Parel,  
Mumbai 400 012

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and in the manner reported hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under that Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (SEBI (SAST) Regulations, 2011)
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992, to the extent applicable and SEBI (Prohibition of Insider Trading) Regulations, 2015 made effective from 15<sup>th</sup> May, 2015; (SEBI (PIT) Regulations, 2015)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
- I. The Legal Metrology Act, 2009
  - II. The Trade Mark Act, 1999

**I further report that** in respect of the compliance of Labour Laws and other General Laws, my examination and reporting is based on the documents, records as produced and shown to me and the information and explanation as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General Laws and Labour Laws.

**I further report that** the Company has adhered with Regulations and complied with the applicable clauses of the following:

- (i) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Equity Listing Agreement, to the extent applicable, entered in to by Company with National Stock Exchange of India Limited and BSE Limited; and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations/non-compliances:

- I. The Company has not spent the eligible profit on Corporate Social Responsibility Measures.
- II. The Chairman and Managing Director of the Company is also discharging the functions of Chief Financial Officer.
- III. The Company is yet to appoint a Woman Director after the vacancy aroused on 20<sup>th</sup> March, 2017 under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and

Section 149 of the Companies Act, 2013

- IV. The casual vacancy in the office of Statutory Auditors was filled after the expiry of the prescribed time limit as mentioned under the provision of Section 139(8) of the Companies Act, 2013.
- V. The vacancies caused by the resignation of the independent Directors were filled after the expiry of the period stipulated under regulation 25 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 149 of the Companies Act, 2013.
- VI. The time period between two Audit Committee meetings has exceeded one hundred and twenty days i.e. no Audit Committee meetings were held between the period 24<sup>th</sup> May, 2016 to 1<sup>st</sup> March, 2017, on account of lack of quorum in the Audit Committee of the Company in terms of the requirement of constitution of the Audit Committee under Regulation 18(2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- VII. The Company has delayed in submitting the financial results for the quarter ended 30<sup>th</sup> June, 2016, 30<sup>th</sup> September, 2016 and 31<sup>st</sup> December, 2016 on account of time elapsed for appointment of new Independent Directors under Regulation 33(3) and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- VIII. Except for six instances, necessary disclosures under SAST Regulation 31(1) and 31(2) were made on time. However, the said six instances were filed during the year.
- IX. Except for five instances, necessary disclosures under PIT Regulation 7(2) and 6(2) were made on time. However, the said five instances were filed during the year.
- X. During the period under review, the Company has defaulted in repayment of the dues outstanding towards privately placed listed Non-Convertible Debentures and loans availed from Banks/Financial Institutions and the Company is getting notices from Debenture Trustee and Banks/Financial institutions for the same.
- XI. The Company has duly filed relevant forms and returns with the Registrar of Companies, Regional Director, Central Government or other authorities within the time prescribed under the Act and the rules made there under and with additional fees wherever there has been a delay in filing forms/returns.



**I further report that**

The Board of Directors of the Company is duly constituted (Except during the period from 27.06.2016 to 28.12.2016) with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**I further report that** during the audit period,

- I. The Strategic Debt Restructuring (SDR) proposal of the Company was accepted by Lead bank and majority of members banks have agreed to such invocation of SDR. However, in-principal approval of their respective sanctioning authority is awaited.
- II. The Company has made an application to National Company Law Tribunal (NCLT) under section 131 of the Companies Act, 2013, for revising the Financial Statements along with the Board Report's for the FY 2014-15 & 2015-16.
- III. During the year under review, CARE Rating Agency has revised its ratings for Non-Convertible Debentures and Long Term and Short Term Banking facilities, the details of which are as under:

FACILITIES	RATING	REMARKS
Non Convertible Debentures	CARE D (Single D)	Revised from BBB + , CARE A3
Long term and Short term Bank facilities	CARE D (Single D)	Revised from BBB +

(NITIN R. JOSHI)  
FCS No. 3137 C.P. No 1884

**Date :** 2<sup>nd</sup> August, 2017

**Place :** Mumbai

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

**Annexure to Secretarial Audit Report**

To  
The Members,  
**Mandhana Industries Limited**  
205-214, Peninsula Centre,  
Dr. S.S. Rao Marg, Parel,  
Mumbai 400 012

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(NITIN R. JOSHI)  
FCS No. 3137 C.P. No 1884

**Date :** 2<sup>nd</sup> August, 2017

**Place :** Mumbai

## ANNEXURE – ‘C’ to Directors’ Report

Annual Report on Corporate Social Responsibility activities for the financial year 2016-17

- 1. A brief outline of the Company’s Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

Corporate Social Responsibility is a Company’s sense of responsibility towards the community and environment in which it operates. The Company is committed on remaining a responsible corporate entity mindful of its social responsibilities.

Web link to the CSR policy of the Company

<http://www.mandhana.com/investorRelation.php>

- 2. Current Composition of the CSR Committee is:**

Name	Designation
Mr. Jeenendra Bhandari	Chairman
Mr. Pandharinath Parab	Member
Mr. Purushottam Mandhana <sup>#</sup>	Member

<sup>#</sup> Mr. Purushottam Mandhana was appointed as the Member of the Committee w.e.f. 9<sup>th</sup> August, 2017.

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

- 3. Average net profit of the Company for last three financial years**

₹ 10,125.88 Lakhs.

- 4. Prescribed CSR Expenditure**

₹ 202.52 Lakh representing 2% of the Average Net Profit of the Company for the last three financial years.

- 5. Details of CSR spent during the financial year: N.A.**

- (a) Total amount spent for the financial year - NIL  
 (b) Amount unspent, if any - ₹ 202.52 Lakh  
 (c) Manner in which the amount spent during the financial year - Not Applicable

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

On account of the adverse financial position of the Company for financial year ended 31<sup>st</sup> March, 2017, the Company has not been able to spend any funds on CSR activities for the time being.

- 7. Responsibility Statement of the Corporate Social Responsibility Committee**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PURUSHOTTAM C. MANDHANA**  
 (Chairman and Managing Director)

**Place :** Mumbai

**Date :** 9<sup>th</sup> August, 2017



## **ANNEXURE – ‘D’ to Directors’ Report**

### **Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo:**

#### **(A) CONSERVATION OF ENERGY:**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative. Adequate measures are always taken to ensure optimum utilisation and maximum possible saving of energy at the offices and units of the Company.

The Company constantly improves on and installs various energy saving devices. The Company replaces old electrical drives and has been re-organizing production process by introducing improved systems which also conserves energy.

#### **(B) TECHNOLOGY ABSORPTION:**

##### **1. RESEARCH AND DEVELOPMENT**

Your Company, committing itself to Research & Development activities, has always played an imperative role for cost-effective expansion of business development. Research & Development has been implemented with objectives like continual efficiency enhancement, reductions in material costs, improving speed and quality of processes and innovation. The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative.

##### **2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company continues to integrate the latest proficient technology, innovations and improvement as introduced and suitable to the manufacturing operations carried out by the Company. It also adopts and up-grades its technology to sustain and presence in the domestic and international market.

#### **(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings : ₹ 21,502.03 Lakhs

Out go : ₹ 1,041.17 Lakhs

#### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PURUSHOTTAM C. MANDHANA**  
**(Chairman and Managing Director)**

**Place :** Mumbai

**Date :** 9<sup>th</sup> August, 2017

## ANNEXURE – ‘E’ to Directors’ Report

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS :

i.	CIN	L17120MH1984PLC033553
	Registration Date	25 <sup>th</sup> July, 1984
	Name of the Company	Mandhana Industries Limited
	Category / Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company.
	Address of the Registered Office & Contact Details	Plot No. C-3, MIDC, Tarapur Industrial Area Boisar, Dist : Palghar – 401 506 Tel : 91-2525-605704/05/06 Fax : 91-22-43539358
ii.	Address of the corporate Office & Contact Details	205-214, Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai – 400 012 Tel. : 91-22-43539191 Fax : 91-22-43539216 email : <a href="mailto:cs@mandhana.com">cs@mandhana.com</a> Web : <a href="http://www.mandhana.com">www.mandhana.com</a>
iii.	Whether Listed Company	Yes (BSE Limited & National Stock Exchange of India Limited)
iv.	Name, Address & contact Details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited (Unit: Mandhana Industries Ltd.) C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai – 400 083 Tel : 91-22-49186000 Fax : 91-22-49186060 email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sr. No.	Name & Description of main product / services	NIC Code of the Product / Service*	% to total turnover of the Company #
1	Textiles and Garments Manufacturing Company	131 - Spinning, weaving and finishing of textiles	67.30
		141 - Manufacture of wearing apparel, except fur apparel	32.70

\*As per National Industrial Classification - Ministry of Statistics and Programme Implementation

#On the basis of Gross Turnover



**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary / Associate Company.

**IV SHAREHOLDING PATTERN (Equity Share Capital - Break up as % to total Equity)**

**(i) Category-wise Shareholding:**

Category of shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change During the year <sup>®</sup>
	Demat	Physical	Total	% of Total Shares <sup>®</sup>	Demat	Physical	Total	% of Total Shares <sup>®</sup>	
<b>A. Promoters</b>									
<b>(1) Indian :</b>									
a) Individual/HUF	1,31,13,704	0	1,31,13,704	39.59	1,10,80,806	0	1,10,80,806	33.45	(6.14)
b) Central Government/State Government	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	14,97,783	0	14,97,783	4.52	14,97,783	0	14,97,783	4.52	0.00
d) FI / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other – Relative of Directors	94,52,131	0	94,52,131	28.54	65,04,924	0	65,04,924	19.64	(8.90)
<b>Sub-Total (A)(1)</b>	<b>2,40,63,618</b>	<b>0</b>	<b>2,40,63,618</b>	<b>72.65</b>	<b>1,90,83,513</b>	<b>0</b>	<b>1,90,83,513</b>	<b>57.61</b>	<b>(15.04)</b>
<b>(2) Foreign :</b>									
a) Individual – NRI	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) FI / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Gr.(A)=(A)(1)+(A)(2)</b>	<b>2,40,63,618</b>	<b>0</b>	<b>2,40,63,618</b>	<b>72.65</b>	<b>1,90,83,513</b>	<b>0</b>	<b>1,90,83,513</b>	<b>57.61</b>	<b>(15.04)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions :</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	12,55,925	0	12,55,925	3.79	6,93,048	0	6,93,048	2.09	(1.70)
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	3,50,000	0	3,50,000	1.06	0	0	0	0	(1.06)
g) FIs/FPIs	3,07,634	0	3,07,634	0.93	2,404	0	2,404	0.01	(0.92)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>19,13,559</b>	<b>0</b>	<b>19,13,559</b>	<b>5.78</b>	<b>6,95,452</b>	<b>0</b>	<b>6,95,452</b>	<b>2.10</b>	<b>(3.68)</b>

Category of shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change During the year <sup>®</sup>
	Demat	Physical	Total	% of Total Shares <sup>®</sup>	Demat	Physical	Total	% of Total Shares <sup>®</sup>	
<b>(2) Non Institutions:</b>									
a) Bodies Corporate	52,20,522	0	52,20,522	15.76	13,48,648	0	13,48,648	4.07	(11.69)
i. Indian	52,20,522	0	52,20,522	15.76	13,48,648	0	13,48,648	4.07	(11.69)
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals :									
Individual Shareholders holding Nominal share Capital up to ₹ 1 lakh	6,10,194	9,553	6,19,747	1.87	74,68,674	3,153	74,71,827	22.56	20.69
Individual Shareholders holding Nominal share Capital in Excess of ₹ 1 lakh	9,32,195	0	9,32,195	2.81	31,10,830	0	31,10,830	9.39	6.58
c) Any Other:									
1) Directors	20,000	0	20,000	0.06	0	0	0	0.00	(0.06)
2) Clearing Members	48,651	0	48,651	0.15	8,00,063	0	8,00,063	2.42	2.27
3) NRI-Rept.	17,149	0	17,149	0.05	3,31,320	0	3,31,320	1.00	0.95
4) NRI-Non Rept.	866	0	866	0.00	37,400	0	37,400	0.11	0.11
5) H.U.F.	2,87,606	0	2,87,606	0.87	2,44,860	0	2,44,860	0.74	(0.13)
<b>Sub-Total (B)(2)</b>	<b>71,37,183</b>	<b>9,553</b>	<b>71,46,736</b>	<b>21.58</b>	<b>1,33,41,795</b>	<b>3,153</b>	<b>1,33,44,948</b>	<b>40.29</b>	<b>18.71</b>
<b>Total Public shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>90,50,742</b>	<b>9,553</b>	<b>90,60,295</b>	<b>27.35</b>	<b>1,40,37,247</b>	<b>3,153</b>	<b>1,40,40,400</b>	<b>42.39</b>	<b>15.04</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total = A + B + C</b>	<b>331,14,360</b>	<b>9,553</b>	<b>33,123,913</b>	<b>100.00</b>	<b>3,31,20,760</b>	<b>3,153</b>	<b>33,123,913</b>	<b>100.00</b>	<b>0.00</b>

<sup>®</sup>The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-a-vis the paid up capital of the Company, on such particular day.

## (ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in Shareholding during the year@
		No. of Shares	% of Total Shares of the Company <sup>®</sup>	% of Shares Pledged/ Encumbered to Total shares <sup>®</sup>	No. of Shares	% of Total Shares of the Company <sup>®</sup>	% of Shares Pledged/ Encumbered to Total shares <sup>®</sup>	
1	Mr. Purushottam C. Mandhana	21,39,681	6.46	6.04	21,39,681	6.46	5.43	0.00
2	Mr. Biharilal C. Mandhana	17,02,065	5.14	4.98	17,02,065	5.14	3.77	0.00
3	Mr. Manish B. Mandhana	22,47,649	6.79	6.28	22,47,649	6.79	5.37	0.00
4	Mr. Priyavrat P. Mandhana	38,03,709	11.48	0.61	19,70,811	5.95	3.18	(5.53)
5	Purushottam C. Mandhana (HUF)	32,20,600	9.72	1.36	30,20,600	9.12	3.92	(0.60)

<sup>®</sup>The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.



(iii) Change in Promoters Shareholding (as at the respective weekly beneficial position date):

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company <sup>®</sup>	No. of Shares	% of total shares of the Company <sup>®</sup>
1	Mr. Purushottam C. Mandhana				
	<b>At the beginning of the year</b>	<b>21,39,681</b>	<b>6.46</b>	<b>21,39,681</b>	<b>6.46</b>
	<b>At the end of the year</b>	-	-	<b>21,39,681</b>	<b>6.46</b>
2	Mr. Biharilal C. Mandhana				
	<b>At the beginning of the year</b>	<b>17,02,065</b>	<b>5.14</b>	<b>17,02,065</b>	<b>5.14</b>
	<b>At the end of the year</b>	-	-	<b>17,02,065</b>	<b>5.14</b>
3	Mr. Manish B. Mandhana				
	<b>At the beginning of the year</b>	<b>22,47,649</b>	<b>6.79</b>	<b>22,47,649</b>	<b>6.79</b>
	<b>At the end of the year</b>			<b>22,47,649</b>	<b>6.79</b>
4	Mr. Priyavrat P. Mandhana				
	<b>At the beginning of the year</b>	<b>38,03,709</b>	<b>11.48</b>	<b>38,03,709</b>	<b>11.48</b>
	12.07.2016-Invocation by Pledgee	(14,00,000)	4.22	24,03,709	7.26
	31.08.2016-Invocation by Pledgee	(4,32,898)	1.31	19,70,811	5.95
	<b>At the end of the year</b>			<b>19,70,811</b>	<b>5.95</b>
5	Mr. Purushottam C. Mandhana (HUF)				
	<b>At the beginning of the year</b>	<b>32,20,600</b>	<b>9.72</b>	<b>32,20,600</b>	<b>9.72</b>
	15.07.2016-Invocation by Pledgee	(2,00,000)	0.60	30,20,600	9.12
	<b>At the end of the year</b>	-	-	<b>30,20,600</b>	<b>9.12</b>

<sup>®</sup>The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.



## (iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs) (as at the respective date of weekly beneficiary position)

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company®	No. of Shares	% of total Shares of the Company®
1	Prema P. Mandhana				
	<b>At the beginning of the year</b>	<b>21,95,609</b>	<b>6.63</b>	<b>21,95,609</b>	<b>6.63</b>
	27.02.2017-Invocation by Pledgee	(10,000)	0.03	21,85,609	6.60
	28.02.2017-Invocation by Pledgee	(10,258)	0.03	21,75,351	6.57
	01.03.2017-Invocation by Pledgee	(58,613)	0.18	21,16,738	6.39
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>21,16,738</b>	<b>6.39</b>
2	Mahan Synthetic Textiles Pvt. Ltd.				
	<b>At the beginning of the year</b>	<b>14,97,783</b>	<b>4.52</b>	<b>14,97,783</b>	<b>4.52</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>14,97,783</b>	<b>4.52</b>
3	Biharilal C. Mandhana - HUF				
	<b>At the beginning of the year</b>	<b>10,98,000</b>	<b>3.31</b>	<b>10,98,000</b>	<b>3.31</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>10,98,000</b>	<b>3.31</b>
4	Arnav M. Mandhana				
	<b>At the beginning of the year</b>	<b>8,14,000</b>	<b>2.46</b>	<b>8,14,000</b>	<b>2.46</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>8,14,000</b>	<b>2.46</b>
5	Sudha B. Mandhana				
	<b>At the beginning of the year</b>	<b>22,56,352</b>	<b>6.81</b>	<b>22,56,352</b>	<b>6.81</b>
	13.07.2016-Invocation by Pledgees	(8,69,865)	2.63	13,86,487	4.19
	25.07.2016-Invocation by Pledgee	(3,00,000)	0.91	10,86,487	3.28
	26.07.2016-Invocation by Pledgee	(1,00,000)	0.30	9,86,487	2.98
	09.08.2016-Invocation by Pledgee	(1,00,000)	0.30	8,86,487	2.68
	29.08.2016-Invocation by Pledgee	(1,00,000)	0.30	7,86,487	2.37
	<b>At the end of the year</b>			<b>7,86,487</b>	<b>2.37</b>
6	Life Insurance Corporation Of India				
	<b>At the beginning of the year</b>	<b>6,58,331</b>	<b>1.99</b>	<b>6,58,331</b>	<b>1.99</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>6,58,331</b>	<b>1.99</b>



Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company®	No. of Shares	% of total Shares of the Company®
7	Manish B. Mandhana HUF				
	<b>At the beginning of the year</b>	<b>7,84,000</b>	<b>2.37</b>	<b>7,84,000</b>	<b>2.37</b>
	15.07.2016-Invocation by Pledgee	(2,00,000)	0.60	5,84,000	1.76
	25.07.2016-Invocation by Pledgee	(65,000)	0.20	5,19,000	1.57
	29.08.2016-Invocation by Pledgee	(1,00,000)	0.30	4,19,000	1.26
	08.02.2017-Revocation cum Release of Pledged shares	1,00,000	0.30	5,19,000	1.57
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>5,19,000</b>	<b>1.57</b>
8	Vinay B. Mandhana				
	<b>At the beginning of the year</b>	<b>4,79,000</b>	<b>1.45</b>	<b>4,79,000</b>	<b>1.45</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>4,79,000</b>	<b>1.45</b>
9	Muskaan M.Mandhana				
	<b>At the beginning of the year</b>	<b>4,10,000</b>	<b>1.24</b>	<b>4,10,000</b>	<b>1.24</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>4,10,000</b>	<b>1.24</b>
10	Tammana Maheshwari				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	09.09.2016-Market Purchase	1,00,000	0.30	1,00,000	0.30
	23.09.2016-Market Purchase	1,00,000	0.30	2,00,000	0.60
	04.11.2016-Market Sale	(2,00,000)	0.60	0	0.00
	23.12.2016-Market Purchase	3,50,000	1.06	3,50,000	1.06
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>3,50,000</b>	<b>1.06</b>

@ The figure have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

**(v) Shareholding of Directors & KMP:**

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company®	No. of Shares	% of total shares of the Company®
1	Mr. Purushottam C. Mandhana				
	<b>At the beginning of the year</b>	<b>21,39,681</b>	<b>6.46</b>	<b>21,39,681</b>	<b>6.46</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>21,39,681</b>	<b>6.46</b>
2	Mr. Biharilal C. Mandhana*				
	<b>At the beginning of the year</b>	<b>17,02,065</b>	<b>5.14</b>	<b>17,02,065</b>	<b>5.14</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>17,02,065</b>	<b>5.14</b>

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company <sup>@</sup>	No. of Shares	% of total shares of the Company <sup>@</sup>
3	Mr. Manish B. Mandhana				
	<b>At the beginning of the year</b>	<b>22,47,649</b>	<b>6.79</b>	<b>22,47,649</b>	<b>6.79</b>
	<b>At the end of the year</b>	-	-	<b>22,47,649</b>	<b>6.79</b>
4	Mrs. Sangeeta M. Mandhana <sup>5</sup>				
	<b>At the beginning of the year</b>	<b>14,00,170</b>	<b>4.23</b>	<b>14,00,170</b>	<b>4.23</b>
	15.07.2016 - Market Sale	(60)	0.00	14,00,110	4.23
	18.07.2016 - Invocation by Pledgee	(10,679)	0.03	13,89,431	4.20
	21.07.2016 - Invocation by Pledgee	(15,464)	0.05	13,73,967	4.15
	25.07.2016 - Invocation by Pledgee	(6,00,000)	1.81	7,73,967	2.34
	31.08.2016 - Invocation by Pledgee	(4,98,557)	1.51	2,75,410	0.83
	<b>At the end of the year</b>	-	-	<b>2,75,410</b>	<b>0.83</b>
5	Mr. Ghyanendra Nath Bajpai <sup>#</sup>				
	<b>At the beginning of the year</b>	<b>20,000</b>	<b>0.06</b>	<b>20,000</b>	<b>0.06</b>
	<b>At the end of the year</b>	-	-	<b>20,000</b>	<b>0.06</b>
6	Mr. Khurshed M. Thanawalla <sup>#</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
7	Mr. Prashant K. Asher <sup>#</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
8	Mr. Dilip G. Karnik <sup>#</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
9	Mr. Jeenendra Bhandari <sup>^</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
10	Mr. Chandrakant Shetty <sup>^</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
11	Mr. Pandharinath Parab <sup>^</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>



Sr. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company <sup>@</sup>	No. of Shares	% of total shares of the Company <sup>@</sup>
12	Mr. Vinay Sampat – Company Secretary <sup>&amp;</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
13	Ms. Divya Mer- Company Secretary <sup>¶</sup>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

<sup>@</sup> The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

<sup>\*</sup> Mr. Biharilal C. Mandhana ceased to be director of the Company w.e.f. 10<sup>th</sup> June, 2016.

<sup>§</sup> Mrs. Sangeeta M. Mandhana ceased to be director of the Company w.e.f. 20<sup>th</sup> March, 2017.

<sup>#</sup> Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher has ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

<sup>^</sup> Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Non-Executive and Independent Directors of the Company w.e.f. 28<sup>th</sup> December, 2016.

<sup>&</sup> Mr. Vinay Sampat resigned as the Company Secretary w.e.f. 20<sup>th</sup> May, 2017.

<sup>¶</sup> Ms. Divya Mer was appointed as the Company Secretary and Compliance officer of the Company w.e.f. 16<sup>th</sup> August, 2017 and as such no remuneration was paid to her during the Financial Year 2016-17.

## V. INDEBTEDNESS:

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

(₹ in Lakh)

	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
	Term loan	Working Capital			
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal amount	33,462.44	58,469.07	3,755.07	-	95,686.58
ii) Interest due but not paid	191.61	-	-	-	191.61
iii) Interest accrued but not due	-	-	-	-	-
<b>Total = (i+ii+iii)</b>	<b>33,654.05</b>	<b>58,469.07</b>	<b>3,755.07</b>	<b>-</b>	<b>95,878.19</b>
<b>Change in Indebtedness during the financial year</b>					
Additions	-	13,348.85	-	-	13,348.85
Reduction	1,815.30	-	1,455.07	-	3,270.37
Exchange Difference (Gain/Loss)	-	-	-	-	-
Net Change	(1,815.30)	13,348.85	(1,455.07)	-	10,078.48
<b>Indebtedness at the end of the financial year</b>					
i) Principal amount	31,647.14	71,817.92	2,300.00	-	1,05,765.06
ii) Interest due but not paid	2,841.71	1,540.66	73.45	-	4,455.83
iii) Interest accrued but not due	761.91	-	-	-	761.91
<b>Total = (i+ii+iii)</b>	<b>35,250.76</b>	<b>73,358.59</b>	<b>2,373.45</b>	<b>-</b>	<b>1,10,982.80</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole time Director and/ or Manager:**

(in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Purushottam C. Mandhana	Manish B. Mandhana*	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	65,38,715	59,93,820	1,25,32,535
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	39,600	36,300	75,900
	c) Profits in lieu of salary under section 17(3) of the Income Tax, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others (Specify)	-	-	-
5	Others - Specify	-	-	-
	Total ( A )	65,78,315	60,30,120	1,26,08,435
	Ceiling as per the Act.	The limit of ₹ 65,78,315/- per annum per managerial personnel (excluding contribution to Provident Fund, Superannuation Fund and Gratuity Fund) is based on the Effective Capital of the Company as on 31 <sup>st</sup> March, 2016 pursuant to Schedule V to the Act.		

\* Role of Mr. Manish Mandhana was re-aligned from Joint Managing Director to Non-Executive Director of the Company with effect from 1<sup>st</sup> March, 2017.



B. Remuneration to other Directors:

Particulars of Remuneration	Name of the Directors								Total Amount in ₹	
	Ghyanendra Nath Bajpai <sup>#</sup> (Independent Director)	Khurshed M. Thanawalla <sup>#</sup> (Independent Director)	Dilip G. Karnik <sup>#</sup> (Independent Director)	Prashant K. Asher <sup>#</sup> (Independent Director)	Sangeeta M. Mandhana <sup>^</sup> (Non-Executive Director)	Jeenendra Bhandari <sup>@</sup> (Independent Director)	Chandrakant Shetty <sup>@</sup> (Independent Director)	Pandharinath Parab <sup>@</sup> (Independent Director)		Manish B. Mandhana* (Non-Executive Director)
a) Fees for Attending Board / Audit/ Committee Meetings	1,25,000	1,25,000	1,25,000	-	1,00,000	45,000	45,000	55,000	25,000	6,45,000
b) Commission	-	-	-	-	-	-	-	-	-	-
c) Others- Specify	-	-	-	-	-	-	-	-	-	-
<b>Total B</b>	1,25,000	1,25,000	1,25,000	-	1,00,000	45,000	45,000	45,000	25,000	6,45,000
<b>Total Managerial remuneration (A+B)</b>										1,26,08,435
<b>Overall Ceiling as per the Act</b>	The limit of ₹ 65,78,315/- per annum per managerial personnel (excluding contribution to Provident Fund, Superannuation Fund and Gratuity Fund) is based on the Effective Capital of the Company as on 31 <sup>st</sup> March, 2016 pursuant to Schedule V to the Act.									

# Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher have ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

^ Mrs. Sangeeta Mandhana has ceased to be Non-Executive Director of the Company with effect from 20<sup>th</sup> March, 2017.

@ Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Non-Executive and Independent Directors of the Company w.e.f. 28<sup>th</sup> December, 2016.

\* Role of Mr. Manish Mandhana was re-aligned from Joint Managing Director to Non-Executive Director of the Company with effect from 1<sup>st</sup> March, 2017.

**Note:** Sitting fees paid is within the limit of ₹ 1,00,000/- per meeting as prescribed under the Act. Sitting fees has not been considered under 'Total Managerial Remuneration (A+B)' in view of Section 197(2) of the Act.

**C. Remuneration to Key Managerial Personnel (Other than Managing Director/Joint Managing Director/Whole Time Director/Manager):**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Vinay Sampat, Company Secretary <sup>5</sup>	Ms. Divya Mer*
1	Gross Salary		
	d) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	22,06,854	NIL
	e) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-
	f) Profits in lieu of salary under section 17(3) of the Income Tax, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- As % of profit	-	-
	- Others (Specify)	-	-
5	Others - Specify	-	-

<sup>5</sup> Mr. Vinay Sampat has ceased to be the Company Secretary and Compliance officer of the Company w.e.f. 20<sup>th</sup> May, 2017.

\* Ms. Divya Mer was appointed as the Company Secretary and Compliance officer of the Company w.e.f 16<sup>th</sup> August, 2017 and as such no remuneration was paid to her during the Financial Year 2016-17

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

There were no penalties/ punishment/compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PURUSHOTTAM C. MANDHANA**  
(Chairman and Managing Director)

Place : Mumbai

Date : 9<sup>th</sup> August, 2017



## Management Discussion and Analysis

### 1. Industrial Structure & Development

#### Global Economy:

India is the second largest exporter after China of textiles and apparel products having 6% share in the global trade. The Global economy disappointed in terms of growth, with deceleration of activity in key emerging and developing economies like China, Brazil, Russia, Bangladesh, Sri Lanka overshadowing a modest recovery in major high income countries.

The deceleration was accompanied by declines in commodity prices, subdued global trade, bouts of financial market volatility and weakening capital flows. Inflation has come down, however industrial activity and consumption has not been buoyant.

The future growth in the market will be primarily driven by the increase in population as well as the per capita apparel spending of the already large population in these countries. It is estimated that the global apparel market will be around US\$ 2.6 Trillion by 2025 growing at a CAGR of 4% per annum. This high growth in apparel consumption in developing economies will further drive the growth of textile manufacturing and trade in emerging countries.

#### Indian Economy:

Indian Textile and Apparel industry contributes about 14% to industrial production, 5% to GDP and 17% to country's export earnings.

Textile industry is facing tough times due to the adverse market scenario in domestic and export markets. Our focus remains on value added products and new product development to cater to the niche segment of the market.

However, there are several challenges ahead for the Textile industry for enhancing its competitive strength and global positioning in terms of inflexible labour laws, poor infrastructure, competition from low cost neighboring countries which will have to be addressed to sustain the growth momentum of the industry.

Growth continues to falter in advanced economies and, while there is considerable divergence of performance across emerging market and developing economies, their overall growth

remains below potential. Investment continues to be soft amid weaker growth prospects and elevated policy uncertainty, while export growth has slowed reflecting subdued external demand.

Today, India is the fastest growing large economy in the world. Source: Central Statistical Organisation (CSO) Government of India. Additionally, its other macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. Wholesale price inflation has been in negative territory for more than a year and the all-important consumer prices inflation has declined to nearly half of what it was a few years ago. With inflation under control, the Reserve Bank of India (RBI) has eased monetary policy and reduced the benchmark repo rate in three installments by a total of 100 basis points. Consequently, lending rates have reduced marginally. The base rate for scheduled commercial banks, which was 10.25% in financial year (FY) 2014, has reduced to 9.7% by the end of FY 2016. Having said so, interest rates need to come down further to really bolster investments. Source: MOSPI, Government of India. On the one hand, the lower inflation and softening of and softening of interest rates augur well for consumption led growth of the real economy in India; on the other hand, the variance in the pace at which inflation and interest rates have reduced poses a problem for investment led manufacturing growth. Weak growth in advanced and emerging economies has taken its toll on India's exports. In fact, exports reduced by 6.3% over 2015-16.

The textiles and apparel industry is highly matured and has strong correlations with global macro-economic developments. The industry relies on transnational specialization and involves a healthy level of global trade. The macro-economic trend of shifting manufacturing operations in the mid to lower value stream of the industry to relative low cost emerging economies is quite widespread for textiles and apparels. Also, new avenues of growth in demand are primarily in the emerging markets, while the sheer size of the large advanced economies like USA and Europe still remain the largest markets for the global industry.



## The Company

Mandhana Industries Ltd., known by its name has established a remarkable impression in the market, since more than 25 years. However, last year has been a very tough and challenging year for the Company. It has faced multitude of problems internally due to non-recovery of debtors, write off on account of inventory obsolescence coupled with lower market demand, weaker manufacturing activity, rising prices of raw materials, weak capital inflows, which in turn led to highly leveraged financial position, which further led company facing considerable stress and consequently being considered NPA by its consortium of working capital lenders as well as term lenders.

Due to general market recession, the demand & prices of Textile Products remained weak. Moreover, Increasing cost of inputs on one hand & thin margin on selling price on the other, kept Company busy in struggling. Further, sale of old and obsolete stock at heavily reduced price added to further losses to the company. All above factors coupled with huge interest costs made the situation worse. The Company during the year, to ensure better management of its costs, temporarily closed down some of its manufacturing units at Sewree, Baramati, Bengaluru & Tarapur.

### Financial Overview:

Revenue stood at ₹ 516.71 crores against ₹ 1646.61 crores owing to decrease in sales of fabrics due to lower manufacturing capacity utilization on account of financial crunch occurred out of High Interest rates, Liquidity blocked by Buyers, claims & discounts offered to Buyers, etc. Revenue from Textile business stood to ₹ 347.74 crores and garment business ₹ 168.97 crores (as compared to last year ₹ 1437.41 v & ₹ 209.20 crores respectively)

### SCOT Analysis:

#### Strengths

- There is easy availability of low cost and proficient manpower that contributes extensively in the growth of the industry.
- Raw material is easily accessible – this acts as a major contributing factor in controlling the costs and minimizes the operational effort.

- The economy is growing rapidly and one can observe a potential international and domestic market.
- The fiber industry is growing at a rapid speed as large varieties of cotton fiber are available easily.
- The industry has an added advantage of having numerous segments which help in the provision of a huge variety of products.

#### Weaknesses

The textile industry of India is one of the highly disintegrated industries.

- Few segments of this industry are not highly productive.
- There is a huge dependency of the industry on cotton.
- The mill segment is gradually declining.
- Labour laws are not very favorable.
- The power and interest rates, and indirect taxes are high.
- There is a complete lack of generating economies of scale.

#### Opportunities

- The textile industry records an annual growth of around 6-8%.
- A shift towards the market of branded ready-made garment is being observed.
- More number of emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels.
- There is a provision of more FDI and investment opportunities.
- Withdrawal of quota restriction is contributing immensely in market development.
- The global needs are being catered with product development.
- An upsurge in the purchasing power and disposable income of Indian customers has opened room for new market development.



### **Threats**

- Competing with other countries like China, Bangladesh etc.
- Striking a balance between the quality and price of products.
- Satisfying the demands of people all across the globe and at the same time, steadily improving the quality of the products.
- Striking a balance between demand and supply.
- Environmental and international labour laws.

### **Environment and Safety:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

### **Human Resources:**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company

has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior learning & development.

### **Cautionary Statement:**

The statements in this report on 'Management Discussion and Analysis' describing the Company's objectives, estimates, expectations or projections, outlook etc., may constitute 'forward looking statements' within the meaning of the applicable securities laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT

### I. Company's philosophy on code of Corporate Governance:

Mandhana Industries Limited has a strong legacy of fair, transparent and ethical governance practices and we adhere to the fact that the Corporate Governance norms are dynamic in nature and the Company constantly endeavors to improve on these aspects. The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness.

The Company strives to maintain standards of Corporate Governance principles and best practices. The Company's philosophy on Corporate Governance envisages the attainment to transparency, accountability, timely disclosures and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government, lenders and the society.

#### Corporate Governance Structure:

The Company has three tiers of Corporate Governance structure, viz.:

- (i) **Strategic Supervision** – by the Board of Directors comprising the Executive and Non-Executive Directors.
- (ii) **Executive Management** – by the Corporate Management comprising the Chairman and Managing Director.

- (iii) **Operational Management** – by the Operational Heads of Business Divisions.

The three-tier corporate governance structure not only ensures greater management accountability and credibility but also facilitates increased business autonomy, performance, discipline and development of business leaders.

### II. Board of Directors:

The strength of Board of Directors as at 31<sup>st</sup> March, 2017 was five. The Board of Directors comprises of Executive and Non-executive Directors including Independent Directors. The Board is headed by Mr. Purushottam C. Mandhana, Chairman and Managing Director.

The Board also comprises of Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab, who are the Independent Directors and Mr. Manish B. Mandhana, Non-executive Director. The Non-executive Directors are accomplished professionals in their respective fields of expertise.

Mrs. Sangeeta M. Mandhana resigned as a Non-executive Director of the Company w.e.f. 20<sup>th</sup> March, 2017. The Company is in process of searching for a competent Woman Director having the requisite experience and expertise to discharge the functions of the Director in line with the provisions of the Companies Act, 2013 and Listing Regulations.

### A. Details relating to the composition of the Board of Directors, number of Directorships, Memberships and Chairmanships of the Directors of the Company in other companies (as on 31<sup>st</sup> March, 2017) are as follows:

Name of the Director	Category of Director	Number of other Directorship held (including Private Companies)	Number of Committee memberships in domestic Companies (including this Company)	
			As Chairman	As Member
Mr. Purushottam C. Mandhana	Chairman and Managing Director	4	Nil	1
Mr. Manish B. Mandhana*	Non - executive	3	Nil	1
Mr. Jeenendra Bhandari	Non - executive and Independent	7	1	1
Mr. Chandrakant Shetty	Non - executive and Independent	1	Nil	2
Mr. Pandharinath Parab	Non - executive and Independent	0	1	2

\*Role of Mr. Manish Mandhana was re-aligned from Joint Managing Director to Non-Executive Director of the Company with effect from 1<sup>st</sup> March, 2017.



Note: Membership/Chairmanship relates to membership of Committees referred to in Regulation 26(1) of the Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not and excludes private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956.

**B. Details relating to the Board Meetings held during the Financial Year 2016-17 along with the attendance of each of the Director are as follows:**

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

- (1) 24<sup>th</sup> May, 2016                      (2) 9<sup>th</sup> September, 2016                      (3) 2<sup>nd</sup> December, 2016  
(4) 28<sup>th</sup> December, 2016                      (5) 1<sup>st</sup> March, 2017

An adjourn meeting was also held on 7<sup>th</sup> March, 2017 (adjourned from 1<sup>st</sup> March, 2017)

**Attendance:**

Sr. No.	Name of the Director	Number of meetings entitled to attend	Number of Meetings attended	Whether attended the last AGM (30.12.2016)
1.	Mr. Purushottam C. Mandhana	5	5	Yes
2.	Mr. Biharilal C. Mandhana*	1	1	N.A.
3.	Mr. Manish B. Mandhana	5	5	Yes
4.	Mr. Ghyanendra Nath Bajpai <sup>#</sup>	1	1	N.A.
5.	Mr. Khurshed M. Thanawalla <sup>#</sup>	1	1	N.A.
6.	Mr. Dilip G. Karnik <sup>#</sup>	1	1	N.A.
7.	Mr. Prashant K. Asher <sup>#</sup>	1	0	N.A.
8.	Mrs. Sangeeta M. Mandhana <sup>^</sup>	5	2	No
9.	Mr. Jeenendra Bhandari <sup>§</sup>	1	1	No
10.	Mr. Chandrakant Shetty <sup>§</sup>	1	1	Yes
11.	Mr. Pandharinath Parab <sup>§</sup>	1	1	Yes

\* Mr. Biharilal C. Mandhana resigned as the Executive Director of the Company w.e.f. 10<sup>th</sup> June, 2016.

<sup>#</sup> Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher has ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

<sup>^</sup> Mrs. Sangeeta M. Mandhana resigned as a Non-executive Director w.e.f. 20<sup>th</sup> March, 2017.

<sup>§</sup> Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Non-Executive and Independent Directors w.e.f. 28<sup>th</sup> December, 2016.

**C. Disclosure of Relationships between Directors inter-se:**

1.	Mr. Purushottam C. Mandhana	Uncle of Mr. Manish B. Mandhana
2.	Mr. Manish B. Mandhana	Nephew of Mr. Purushottam C. Mandhana

Except the above, none of the other Directors is related with each other as on 31<sup>st</sup> March, 2017.

**D. Number of Shares and Convertible Instruments held by Non- Executive Directors:**

Mr. Manish B. Mandhana, Non-executive Director, holds 22,47,649 equity shares of ₹ 10/- each of the Company as on 31<sup>st</sup> March, 2017. None of the other Non-executive Director holds any equity shares of the Company.

**III. Audit Committee:**

The composition of the Audit Committee of the Board of Directors of the Company is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The terms of reference and scope of activities of the Audit Committee are in conformity with the Companies Act, 2013 and the Listing Regulations.

The Audit Committee of the Board of Directors was re-constituted by the Board in its Meeting held on 28<sup>th</sup> December, 2016. The Audit Committee comprises of the following Directors as on 31<sup>st</sup> March, 2017:

- i. Mr. Jeenendra Bhandari - Chairman  
(Non-Executive Independent Director)
- ii. Mr. Chandrakant Shetty - Member  
(Non-Executive Independent Director)
- iii. Mr. Pandharinath Parab - Member  
(Non-Executive Independent Director)
- iv. Mr. Purushottam C. Mandhana - Member  
(Chairman and Managing Director)

The Company Secretary of the Company acts as the Secretary of the Audit Committee.

The Audit Committee is responsible for overseeing the processes related to financial reporting and information dissemination. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting.

**A. Brief description of the terms of reference of the Audit committee *inter-alia* includes:****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. *oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;*
2. *recommendation for appointment, remuneration and terms of appointment of auditors of the Company;*
3. *approval of payment to statutory auditors for any other services rendered by the statutory auditors;*
4. *reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:*
  - a) *matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;*
  - b) *changes, if any, in accounting policies and practices and reasons for the same;*
  - c) *major accounting entries involving estimates based on the exercise of judgment by management;*
  - d) *significant adjustments made in the financial statements arising out of audit findings;*
  - e) *compliance with listing and other legal requirements relating to financial statements;*
  - f) *disclosure of any related party transactions;*
  - g) *modified opinion(s) in the draft audit report;*
5. *reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;*



6. *reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;*
7. *reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;*
8. *approval or any subsequent modification of transactions of the listed entity with related parties;*
9. *scrutiny of inter-corporate loans and investments;*
10. *valuation of undertakings or assets of the listed entity, wherever it is necessary;*
11. *evaluation of internal financial controls and risk management systems;*
12. *reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;*
13. *reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;*
14. *discussion with internal auditors of any significant findings and follow up there on;*
15. *reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;*
16. *discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;*
17. *to look into the reasons for substantial defaults in the payment to the depositors, debenture*

*holders, shareholders (in case of non-payment of declared dividends) and creditors;*

18. *to review the functioning of the whistle blower mechanism;*
19. *approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;*
20. *Carrying out any other function as is mentioned in the terms of reference of the audit committee.*

The audit committee also reviews the following information:

- 1) *management discussion and analysis of financial condition and results of operations;*
- 2) *statement of significant related party transactions (as defined by the audit committee), submitted by management;*
- 3) *management letters / letters of internal control weaknesses issued by the statutory auditors;*
- 4) *internal audit reports relating to internal control weaknesses; and*
- 5) *the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.*
- 6) *statement of deviations:*
  - a. *quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).*
  - b. *annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).*

#### **B. Meetings and Attendance:**

Two Audit Committee Meetings were held during the financial year 2016-17 on 24<sup>th</sup> May, 2016 and 1<sup>st</sup> March, 2017 respectively. An adjourn meeting was held on 7<sup>th</sup> March, 2017 (adjourned from 1<sup>st</sup> March, 2017). The time period between two Audit Committee meetings has exceeded one hundred and twenty days i.e. no Audit Committee meetings were held between the period, 24<sup>th</sup> May, 2016 and 1<sup>st</sup> March, 2017, on account of lack of quorum in the Audit Committee of the Company in terms of the requirement of constitution of the Audit Committee

under Regulation 18 of Listing Regulations.

Sr. No.	Name of the Member	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Mr. Khurshed M. Thanawalla <sup>#</sup>	Non – Executive, Independent	1	1
2.	Mr. Prashant K. Asher <sup>#</sup>	Non – Executive, Independent	1	0
3.	Mr. Ghyanendra Nath Bajpai <sup>#</sup>	Non – Executive, Independent	1	1
4.	Mr. Dilip G. Karnik <sup>#</sup>	Non – Executive, Independent	1	1
5.	Mr. Purushottam C. Mandhana	Executive	2	2
6.	Mr. Jeenendra Bhandari <sup>5</sup>	Non – Executive, Independent	1	1
7.	Mr. Chandrakant Shetty <sup>5</sup>	Non – Executive, Independent	1	1
8.	Mr. Pandharinath Parab <sup>5</sup>	Non – Executive, Independent	1	1

<sup>#</sup> Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher has ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

<sup>5</sup> Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Non-Executive and Independent Directors w.e.f. 28<sup>th</sup> December, 2016.

#### IV. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee of the Board of Directors of the Company is in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference and scope of activities of the Nomination and Remuneration Committee is in conformity with the Companies Act, 2013 and the Listing Regulations.

The Nomination and Remuneration Committee of the Board of Directors was re-constituted by the Board in its Meeting held on 28<sup>th</sup> December, 2016. The Nomination and Remuneration Committee comprises of the following Directors as on 31<sup>st</sup> March, 2017:

- i. Mr. Chandrakant Shetty - Chairman (Non-Executive and Independent Director)
- ii. Mr. Jeenendra Bhandari - Member (Non-Executive and Independent Director)
- iii. Mr. Pandharinath Parab - Member (Non-Executive and Independent Director)

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

##### A. Brief description of the terms of reference of the Nomination and Remuneration committee *inter-alia* includes:

- 1) *formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;*
- 2) *formulation of criteria for evaluation of performance of independent directors and the board of directors;*
- 3) *devising a policy on diversity of board of directors;*
- 4) *identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal; and*
- 5) *whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.*



**B. Meetings and Attendance:**

During the financial year 2016-17, one Meeting of the Nomination and Remuneration Committee was held on 24<sup>th</sup> May, 2016.

Sr. No.	Name of the Member	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Mr. Khurshed M. Thanawalla <sup>#</sup>	Non – Executive, Independent	1	1
2.	Mr. Prashant K. Asher <sup>#</sup>	Non – Executive, Independent	1	0
3.	Mr. Ghyanendra Nath Bajpai <sup>#</sup>	Non – Executive, Independent	1	1
4.	Mr. Dilip G. Karnik <sup>#</sup>	Non – Executive, Independent	1	1
5.	Mr. Chandrakant Shetty <sup>§</sup>	Non – Executive, Independent	0	0
6.	Mr. Jeenendra Bhandari <sup>§</sup>	Non – Executive, Independent	0	0
7.	Mr. Pandharinath Parab <sup>§</sup>	Non – Executive, Independent	0	0

<sup>#</sup> Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher has ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

<sup>§</sup> Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Non-Executive and Independent Directors w.e.f. 28<sup>th</sup> December, 2016.

**C. Performance evaluation criteria for Independent Directors:**

The relevant information on performance evaluation for Independent Directors is covered under sub-heading 'Independent Directors' in this report.

**V. Remuneration of Directors:**

**A. Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:**

Except the sitting fees paid to the Non-executive Directors and Independent Directors for attending the Board and Committee Meetings, there were no other pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company.

**B. Criteria of making payments to Non-executive directors:**

The Non-executive and Independent Directors were paid sitting fee of ₹ 50,000/- per meeting for attending the Meetings of the Board and Audit Committee and ₹ 25,000/- per meeting for attending the Meetings of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee till 27<sup>th</sup> December, 2016. Thereafter, the Board of Directors in its Meeting held on 28<sup>th</sup> December, 2016 altered the sitting fees structure to ₹ 25,000/- per meeting for attending the Meetings of the Board and ₹ 10,000/- per meeting for attending the Meetings of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee of the Board. The sitting fees paid to Non-Executive Directors is within the limits prescribed under the provisions of the Companies Act, 2013 and Articles of Association of the Company.



**C. Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013:**

Details of sitting fees paid to the Non-executive Directors for the financial year 2016-17:

Sr. No.	Name of the Non-Executive Director	Sitting fees paid
1.	Mr. Manish B. Mandhana*	₹ 25,000/-
2.	Mr. Ghyanendra Nath Bajpai <sup>#</sup>	₹ 1,25,000/-
3.	Mr. Khurshed M. Thanawalla <sup>#</sup>	₹ 1,25,000/-
4.	Mr. Prashant K. Asher <sup>#</sup>	NIL
5.	Mr. Dilip G. Karnik <sup>#</sup>	₹ 1,25,000/-
6.	Mrs. Sangeeta M. Mandhana <sup>^</sup>	₹ 1,00,000/-
7.	Mr. Jeenendra Bhandari <sup>§</sup>	₹ 45,000/-
8.	Mr. Chandrakant Shetty <sup>§</sup>	₹ 45,000/-
9.	Mr. Pandharinath Parab <sup>§</sup>	₹ 55,000/-

\* Role of Mr. Manish Mandhana was re-aligned from Joint Managing Director to Non-Executive Director of the Company with effect from 1<sup>st</sup> March, 2017.

<sup>#</sup> Mr. Ghyanendra Nath Bajpai, Mr. Khurshed M. Thanawalla, Mr. Dilip G. Karnik and Mr. Prashant K. Asher has ceased to be Non-Executive and Independent Directors of the Company with effect from 25<sup>th</sup> June, 2016, 7<sup>th</sup> September, 2016, 27<sup>th</sup> June, 2016 & 7<sup>th</sup> September, 2016, respectively.

<sup>^</sup> Mrs. Sangeeta M. Mandhana resigned as a Non-executive Director w.e.f. 20<sup>th</sup> March, 2017.

<sup>§</sup> Mr. Jeenendra Bhandari, Mr. Chandrakant Shetty and Mr. Pandharinath Parab were appointed as Non-Executive and Independent Directors w.e.f. 28<sup>th</sup> December, 2016.

Details of the remuneration paid to the Executive Directors for the financial year 2016-17:

(Amt. in ₹)

Sr. No.	Name of the Director	Remuneration paid/payable	Perquisite	Total Amount
1.	Mr. Purushottam C. Mandhana (Chairman and Managing Director)	65,38,715	39,600	65,78,315
2.	Mr. Manish B. Mandhana <sup>#</sup> (Joint Managing Director)	59,93,820	36,300	60,30,122

<sup>#</sup> Mr. Biharilal C. Mandhana resigned as the Executive Director of the Company w.e.f. 10<sup>th</sup> June, 2016.

<sup>#</sup> Role of Mr. Manish Mandhana was re-aligned from Joint Managing Director to Non-Executive Director of the Company with effect from 1<sup>st</sup> March, 2017.

Notes:

- 1) On account of losses incurred in the financial year 2016-17, remuneration paid to Executive Directors were pursuant to provision of Section II of Part II of Schedule V read with section 196 and 197 of the Act and approval of Members vide a resolution passed in the 32<sup>nd</sup> AGM of the Company. In view of this, a recourse was made to Section II of Part II of Schedule V, which authorizes the Company having inadequate profits/losses to pay remuneration to its Executive Directors, without Central Government approval, based on the calculation of Effective Capital of the Company as per its last audited accounts. The remuneration paid to the Executive Directors of the Company was, therefore, restricted to ₹ 65,78,315 per annum per executive director based on the Effective Capital of the Company as on 31<sup>st</sup> March, 2016.
- 2) Salaries and Perquisites excludes Company's contribution to provident fund, superannuation fund or annuity fund and gratuity in terms of Section II of Part II of Schedule V to the Act. The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company. The tenure of office of the Executive Directors is three years from their respective dates of appointments. The notice period for termination of appointment is determinable as per company's policy. While there is no specific provision for payment of severance fees for any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.
- 3) The Company has not provided any Stock Options to its Directors or employees.



**VI. Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee of the Board of Directors of the Company is in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

**A. Brief description of terms of reference of the Stakeholders Relationship Committee *inter-alia* includes:**

The terms of reference of the Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and the Listing Regulations as stated below:

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.*

The Stakeholders Relationship Committee of the Board of Directors was re-constituted by the Board in its Meeting held on 28<sup>th</sup> December, 2016. The Committee comprises of the following Directors as on 31<sup>st</sup> March, 2017:

- i. Mr. Pandharinath Parab - Chairman (Non-Executive Independent Director)
- ii. Mr. Chandrakant Shetty -Member (Non-Executive Independent Director)
- iii. Mr. Manish B. Mandhana -Member (Non-Executive Director)

The Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee and is designated as the Compliance Officer of the Company.

**B. Meetings and Attendance:**

During the financial year 2016-17, one Meeting of the Stakeholders Relationship Committee was held on 28<sup>th</sup> December, 2016.

Sr. No.	Name of the Member	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Mr. Pandharinath Parab (Chairman)	Non-executive, Independent	1	1
2.	Mr. Chandrakant Shetty	Non-executive, Independent	1	1
3.	Mr. Manish B. Mandhana	Non-executive	1	1

**C. Shareholders' Complaints during the financial year 2016-17:**

Number of shareholders' complaints received	39
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	1*

*\*The pending complaint was received on 28<sup>th</sup> March, 2017 and the response thereto was submitted by the Company on 4<sup>th</sup> April, 2017.*

The SCORES website of SEBI for redressing of grievances of the investors is being visited at regular intervals and there are no pending complaints registered with SCORES as on 31<sup>st</sup> March, 2017.

There are no pending cases of share transfer as on 31<sup>st</sup> March, 2017.

As per Regulation 46(2)(j) of the Listing Regulations, the e-mail ID of the grievance redressal and other relevant details of the Company is cs@mandhana.com

As per Regulation 46(2)(k) of the Listing Regulations, the contact information of designated official of the Company is cs@mandhana.com; Telephone No. 022-43539191.

**VII. Independent Directors:**

**A. Meeting of Independent Directors:**

The Company's Independent Directors met on 1<sup>st</sup> March, 2017 without the presence of other Directors

or members of the management and reviewed matters pertaining to Performance Evaluation of the Chairman, Non-Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company management. All the Independent Directors attended the Meeting.

**B. Web link where details of familiarisation programmes imparted to independent directors is disclosed:**

The Company has established a Familiarisation Programme for Independent Directors. The details of the familiarization programme are available on the website of the Company at [http://mandhana.com/pdf/09\\_MIL\\_Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://mandhana.com/pdf/09_MIL_Familiarization_Programme_for_Independent_Directors.pdf)

**VIII. General body Meetings:**

**A. Particulars of the last 3 Annual General Meetings (AGM):**

Particulars	Date and Time	Venue	Details of Special Resolutions passed
32 <sup>nd</sup> AGM (FY 2015-16)	30 <sup>th</sup> December, 2016 at 10.00 a.m.	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Palghar - 401 506	i. Adoption of new set of Articles of Association in alignment with the provisions contained under the Companies Act, 2013 ii. Alteration of Memorandum of Association in alignment with the provisions contained under the Companies Act, 2013 iii. Change in the name of the Company
31 <sup>st</sup> AGM (FY 2014-15)	30 <sup>th</sup> September, 2015 at 12.30 p.m.	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, District Palghar - 401 506	Nil
30 <sup>th</sup> AGM (FY 2013-14)	18 <sup>th</sup> September, 2014 at 11.00 a.m.	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Thane – 401 506	i. Increase in Authorised Capital from ₹ 40 Crore to ₹ 50 Crore ii. Alteration of Clause V of the Memorandum of Association iii. Substitution of Clause 3 of the Articles of Association iv. Raising of funds under Section 62(1)(c) of the Companies Act, 2013 v. Appointment of Mr. Priyavrat P. Mandhana to hold office or place of profit in the Company.

**B. Special Resolutions passed through Postal Ballot during the year under review:**

No Resolution was passed by the Company through Postal Ballot during the year under review.

**C. Whether any special resolution is proposed to be conducted through postal ballot:**

Till the date of this report, the Company does not intend or propose to pass any Special Resolution through Postal ballot.

**IX. Means of Communications:**

**A. Quarterly Results:**

The financial results are submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the Listing Regulations requirements and are published in the newspapers. The financial results are also displayed on the Company's website i.e. [www.mandhana.com](http://www.mandhana.com).



**B. Newspapers wherein results normally published:**

The results of the Company are normally published in Economic Times/ Business Standard/ Free Press Journal/Asian Age (in English) and Maharashtra Times/ Navshakti/ Tarun Bharat (in Marathi).

**C. Website where the results are displayed:**

www.mandhana.com.

**D. Whether the website also displays official news releases:**

The Company has maintained a functional website i.e. www.mandhana.com containing basic information about the Company like the details of its business, financial information, shareholding pattern, codes and policies etc. The disclosures made by the Company to the Stock Exchanges where the securities of the Company are listed are also hosted on the website of the Company.

**E. Presentations made to institutional investors or to the analysts:**

The presentations, made by the Company to institutional investors/ analysts are available on the website of the Company i.e. www.mandhana.com. During the financial year under 2016-17, the Company has not made any presentations to institutional investors/ analysts.

**X. General Shareholder information:**

The Company was incorporated on 25<sup>th</sup> July, 1984, The Company is registered in the state of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L17120MH1984PLC033553.

The Equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (NSE).

<b>A.</b>	<b>Annual General Meeting</b>	
	- Date and Time	: Wednesday, 20 <sup>th</sup> September, 2017 at 10.30 a.m.
	- Venue	: Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Palghar - 401 506
<b>B.</b>	<b>Financial Year</b>	: 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
<b>C.</b>	<b>Dividend payment date</b>	: N.A.
<b>D.</b>	<b>The name and address of Stock Exchange(s) at which the Company's equity shares are listed and a confirmation about payment of annual listing fee to each of the stock exchange</b>	<p>BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001</p> <p>National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051</p> <p>The Company has paid the listing fees to the Stock Exchanges within the prescribed time.</p>
<b>E.</b>	<b>Security Code / Symbol (Equity)</b>	
	ISIN	: INE087J01010
	Security Code for BSE	: 533204
	Symbol for NSE	: MANDHANA

**F. The Market price data covering the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 is given below:**

Month	BSE				NSE			
	High	Date	Low	Date	High	Date	Low	Date
	₹		₹		₹		₹	
April 2016	329.80	29.04.2016	298.40	01.04.2016	330.00	29.04.2016	299.00	01.04.2016
May 2016	326.50	18.05.2016	297.85	30.05.2016	326.95	19.05.2016	298.10	26.05.2016
June 2016	309.90	01.06.2016	105.85	30.06.2016	311.05	03.06.2016	105.80	30.06.2016
July 2016	100.60	01.07.2016	46.90	25.07.2016	100.55	01.07.2016	47.00	25.07.2016
August 2016	117.10	31.08.2016	64.00	02.08.2016	117.35	31.08.2016	63.60	02.08.2016
September 2016	141.00	12.09.2016	32.95	30.09.2016	140.00	12.09.2016	31.60	30.09.2016
October 2016	35.20	17.10.2016	28.00	30.10.2016	34.90	17.10.2016	27.90	30.10.2016
November 2016	31.20	08.11.2016	22.00	22.11.2016	30.55	08.11.2016	22.10	21.11.2016
December 2016	47.60	19.12.2016	25.00	12.12.2016	47.40	19.12.2016	25.15	07.12.2016
January 2017	35.90	02.01.2017	26.15	30.01.2017	35.80	02.01.2017	26.20	30.01.2017
February 2017	31.90	22.02.2017	25.05	16.02.2017	31.55	22.02.2017	25.50	16.02.2017
March 2017	31.60	01.03.2017	19.00	31.03.2017	31.50	02.03.2017	19.00	31.03.2017

**Trading Volumes**

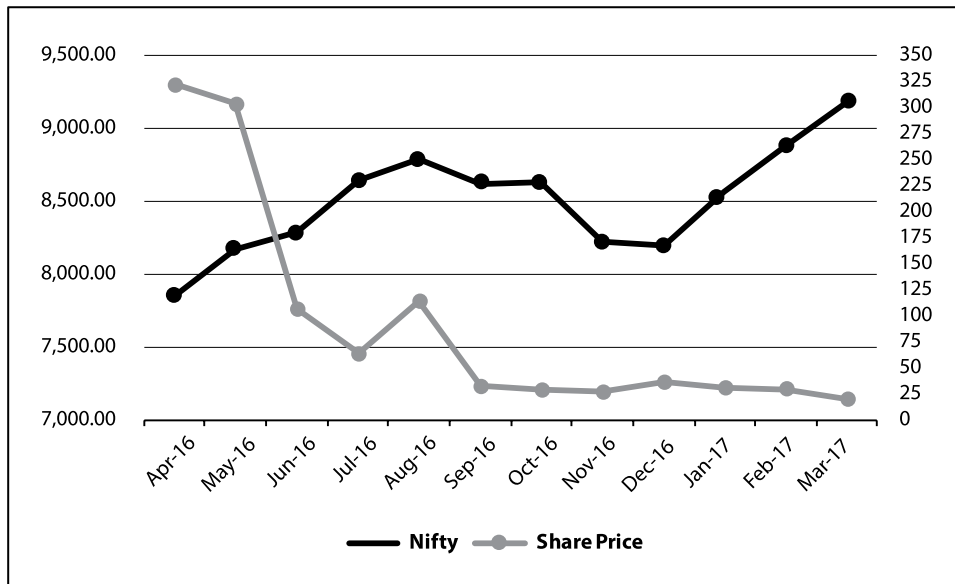
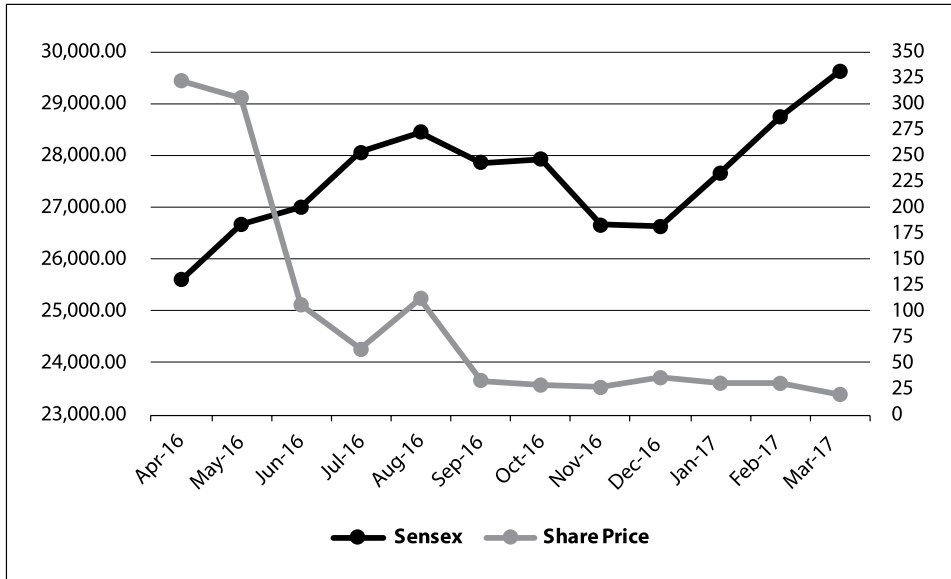
The traded volume of shares at BSE and NSE during the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 are as below:

Month	BSE (Shares)	NSE (Shares)	Total (Shares)
April 2016	3,63,826	7,01,516	10,65,342
May 2016	5,17,573	5,75,435	10,93,008
June 2016	2,78,772	6,29,046	9,07,818
July 2016	45,50,149	1,29,89,987	1,75,40,136
August 2016	54,83,120	1,47,33,394	2,02,16,514
September 2016	37,28,252	75,93,335	1,13,21,587
October 2016	35,50,815	92,89,001	1,28,39,816
November 2016	24,17,488	61,94,688	86,12,176
December 2016	82,33,023	2,87,41,575	3,69,74,598
January 2017	25,96,863	67,63,918	93,60,781
February 2017	8,85,300	10,71,502	19,56,802
March 2017	23,01,480	24,47,569	47,49,049

**G. Stock performance in comparison to broad-based indices such as BSE/NSE Sensex (Month-end closing):**

(in ₹)

Month	BSE		NSE	
	Share Price	Sensex	Share Price	Nifty
April 2016	322.00	25,606.62	320.85	7,849.8
May 2016	305.60	26,667.96	302.40	8,160.10
June 2016	105.85	26,999.72	105.80	8,287.75
July 2016	62.85	28,051.86	62.80	8,638.50
August 2016	112.10	28,452.17	113.45	8,786.20
September 2016	32.95	27,865.96	31.60	8,611.15
October 2016	28.45	27,930.21	28.20	8,625.7
November 2016	26.20	26,652.81	26.20	8,224.5
December 2016	35.55	26,626.46	35.70	8,185.8
January 2017	30.25	27,655.96	30.30	8,561.3
February 2017	30.10	28,743.32	29.40	8,879.6
March 2017	19.45	29,620.50	19.45	9,173.75



**H. In case the securities are suspended from trading, reason thereof:**

Not applicable, since the securities of the Company have not been suspended from trading.

**I. Registrar to an issue and share transfer agents:**

Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.

**J. Debenture Trustee:**

IDBI Trusteeship Services Limited,

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.

E-mail: itsl@idbitrustee.com

Website: www.idbitrustee.co.in

**K. Share Transfer System:**

Link Intime India Private Limited is the Registrar and Transfer Agents of the Company. Transfer of physical shares are approved by the Board of Directors or the Stakeholders Relationship 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.

**L.****a) Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

Shares range	No. of Shareholders	% of Shareholders	No. of Shares	% of total issued capital
1 – 500	10,657	74.39	17,56,023	5.30
501 – 1000	1,680	11.73	14,02,488	4.23
1001- 2000	925	6.46	14,62,277	4.42
2001 – 3000	335	2.33	8,73,982	2.64
3001 – 4000	170	1.19	6,22,475	1.88
4001 – 5000	152	1.06	7,20,172	2.17
5001 – 10000	209	1.46	15,38,878	4.65
10001 & Above	198	1.38	2,47,47,618	74.71
<b>Total</b>	<b>14,326</b>	<b>100.00</b>	<b>3,31,23,913</b>	<b>100.00</b>

**b) Shareholding pattern as on 31<sup>st</sup> March, 2017:**

Sr. No.	Category of Shareholder	No. of Shareholders	Total no. of shares	Total Shareholding as a percentage of total no. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group(A)*</b>	17	1,90,83,513	57.61
<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds	0	0	0.00
(b)	Venture Capital Funds	0	0	0.00
(c)	Alternate Investment Funds	0	0	0.00
(d)	Foreign Venture Capital Investors	0	0	0.00
(e)	Foreign Portfolio Investor	2	2,404	0.01
(f)	Financial Institutions/ Banks	3	6,93,048	2.09
(g)	Insurance Companies	0	0	0.00
(h)	Provident Funds / Pension Funds	0	0	0.00
	<b>Sub Total (B) (1)</b>	5	6,95,452	2.10
<b>(2)</b>	<b>Central Government/ State Government(s)/ President of India</b>	0	0	0.00
	<b>Sub Total (B) (2)</b>	0	0	0.00



Sr. No.	Category of Shareholder	No. of Shareholders	Total no. of shares	Total Shareholding as a percentage of total no. of Shares
<b>(3)</b>	<b>Non-Institutions</b>			
(a)	Individuals			
	i. Individual shareholders holding nominal share capital upto ₹ 2 Lakhs	13,419	85,48,910	25.81
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	36	20,33,747	6.14
(b)	NBFC's registered with RBI	0	0	0.00
(c)	Employee Trusts	0	0	0.00
(d)	Overseas depositories (holding DRs)	0	0	0.00
(e)	Any other			
	i. Hindu Undivided Family	266	2,44,860	0.74
	ii. NRI (Non-repatriate)	37	37,400	0.11
	iii. NRI (Repatriate)	145	3,31,320	1.00
	iv. Clearing Members	202	8,00,063	2.42
	v. Bodies Corporate	184	13,48,648	4.07
	<b>Sub Total (B) (3)</b>	<b>14,289</b>	<b>1,33,44,948</b>	<b>40.29</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)+(B)(3)</b>	<b>14,294</b>	<b>1,40,40,400</b>	<b>42.39</b>
	<b>Total (A) + (B)</b>	<b>14,311</b>	<b>3,31,23,913</b>	<b>100.00</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>			
(1)	Shares Underlying DRs	0	0	0.00
(2)	Shares Held By Employee Trust	0	0	0.00
	<b>Grand Total (A)+(B)+(C)</b>	<b>14,311</b>	<b>3,31,23,913</b>	<b>100.00</b>

\*Pursuant to the requirement of the Stock Exchanges, the shareholding in the Promoters and Promoters' Group spreads across various demat accounts of the Promoters are consolidated on the basis of Permanent Account Numbers. However, total number of demat accounts / Folios of the shareholders under this category stands at 32.

#### **M. Dematerialization 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.

Your Company confirms that the entire Promoters' holding is in dematerialized form and the same is in line with the directives issued by the Securities and Exchange Board of India.

The shares of your Company are regularly traded at the BSE Limited and the National Stock Exchange of India Limited and hence have good liquidity.

Out of the total 3,31,23,913 equity shares of the Company, 3,31,20,760 equity shares representing 99.99% are in dematerialized form as on 31<sup>st</sup> March, 2017.

#### **N. Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:**

NIL

#### **O. Commodity price risk or foreign exchange risk and hedging activities:**

During the financial year 2016-17, the Company had managed the foreign exchange risk and hedged to the extent considered adequate.



**P. Plant Locations:****MANDHANA DYEING**

Plot No. E-25, MIDC, Tarapur Industrial Area,  
District Palghar – 401 506

**MANDHANA WEAVING HOUSE**

Plot No. E-33, MIDC, Tarapur Industrial Area,  
District Palghar – 401 506.

**Garment Division**

Plot No. E-132, MIDC, Tarapur Industrial Area,  
District Palghar – 401 506.

**Baramati Hi-Tech Textile Park Ltd.,**

Plot No.17-20, Plot No.E-1/2, M.I.D.C. Industrial Area,  
Baramati – 413 133

**Garment Division**

No. 26/A, Peenya, II Phase, Peenya Industrial Area,  
Near NTTB Bus Stop, Bengaluru - 560 058

**Garment Division**

Unit No. 36/2, Maruti Plaza,  
Mabanayakanahalli, Dasanpura, Hobli, Tumur Road,  
Bengaluru - 562 123

**MANDHANA WEAVING HOUSE (Shirting Division)**

Plot No. C-2, MIDC, Tarapur Industrial Area,  
District Palghar – 401 506

**MANDHANA DYEING – UNIT II**

Plot No. C-3, MIDC, Tarapur Industrial Area,  
District Palghar – 401 506

**Garment Division**

No. 21-D, 2<sup>nd</sup> Phase, Peenya Industrial Area,  
Bengaluru - 560 058

**Q. Address for Correspondence:**

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

**XI. Other Disclosures:****A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

Nil.

**B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years except as stated below.

The Company was levied fines by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for delay in submission of financial results under Regulation 33 of the Listing Regulations for the quarters ended 30<sup>th</sup> June, 2016, 30<sup>th</sup> September, 2016 and 31<sup>st</sup> December, 2016 and delay in submission of Corporate Governance Report under Regulation 27(2) of the Listing Regulations for the quarter ended 30<sup>th</sup> September, 2016 stated as below:

Regulation and relevant quarter of Non-compliance	Fines imposed and paid by the Company*	
	BSE	NSE
Regulation 33 of the Listing Regulations for quarter ended June, 2016	₹ 9,04,176/-	₹ 7,86,239/-
Regulation 33 of the Listing Regulations for quarter ended September, 2016	₹ 7,13,000/-	₹ 9,10,000/-
Regulation 27(2) of the Listing Regulations for quarter ended September, 2016	₹ 4,600/-	₹ 4,000/-
Regulation 33 of the Listing Regulations for quarter ended December, 2016	₹ 2,41,500/-	₹ 2,10,000/-

\*Amounts mentioned above are inclusive of service tax.

**C. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:**

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of



Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company and the weblink to the same is [http://mandhana.com/pdf/MIL%20%20Policy%20on%20Vigil%20Mechanism%20\(Modified%20in%20BM%2001.03.2017\).pdf](http://mandhana.com/pdf/MIL%20%20Policy%20on%20Vigil%20Mechanism%20(Modified%20in%20BM%2001.03.2017).pdf). No Director / employee has been denied access to the Audit Committee.

**D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

As on 31<sup>st</sup> March, 2017, the Company has complied with all the mandatory requirements of Listing Regulations, except:

- i. *Regulation 17 as the Board of Directors does not comprise of a Woman Director. The Company is endeavoring for appointment of a woman director though it has been challenging for the Company to attract people on the Board in view of the fact that the performance of the Company during the period was sub-optimal. The Management is however confident of appointing a Woman Director in the near future.*
- ii. *Regulation 18 relating to conducting minimum four Meetings of the Audit Committee with a gap of not more than 120 days in between the two meetings. No Audit Committee meetings were held between the period, 24<sup>th</sup> May, 2016 and 1<sup>st</sup> March, 2017, on account of lack of quorum in the Audit Committee of the Company in terms of the requirement of constitution of the Audit Committee under Regulation 18 of Listing Regulations.*

The status of compliances with the non-mandatory requirements specified in Part E of Schedule II have been detailed hereinafter under point no. XII.

**E. Web link where policy for determining material subsidiaries is disclosed:**

Not applicable as Company does not have a Subsidiary Company.

**F. Web link where policy on dealing with related party transactions is disclosed:**

[http://mandhana.com/pdf/04\\_MIL\\_Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://mandhana.com/pdf/04_MIL_Policy_on_Related_Party_Transactions.pdf)

**XII. Discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:**

**A. The Board:**

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.

**B. Shareholder Rights:**

The Company's financial results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results are not separately sent to the Members. The financial results of the Company are displayed on the website of the Company i.e. [www.mandhana.com](http://www.mandhana.com).

**C. Modified opinion(s) in audit report:**

The financial statements of the Company do not contain any modified opinion.

**D. Reporting of internal auditor:**

The Internal Auditors directly report to the Audit Committee of Board of Directors of the Company.

**XIII. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:**

The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 except as stated point no. (d) of point no. XI above. The Company has also complied with the requirements of clauses (b) to (i) of sub - regulation (2) of Regulation 46 of Listing Regulations.

**For and on behalf of the Board of Directors**

**Purushottam C. Mandhana**  
**(Chairman and Managing Director)**

**Place :** Mumbai

**Date :** 9<sup>th</sup> August, 2017

## DISCLOSURE IN COMPLIANCE WITH PART F OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR 2016-17

1.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	Shareholders – 6 Outstanding Equity Shares – 362
2.	No. of shareholders who approached the issuer for transfer of shares from the Suspense Account during the year	NIL
3.	No. of shareholders to whom shares were transferred from Suspense account during the year	NIL
4.	Aggregate no. of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	Shareholders – 6 Outstanding Equity Shares – 362
5.	The voting rights on the aforesaid shares lying in the Suspense Account shall remain frozen till the rightful owners of such shares claims the shares.	

**For and on behalf of the Board of Directors**

**Purushottam C. Mandhana**  
(Chairman and Managing Director)

**Place :** Mumbai

**Date :** 9<sup>th</sup> August, 2017

## DECLARATION UNDER SCHEDULE V (D) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:

To the best of my knowledge and belief, this is to affirm and declare, on behalf of the Board of Directors of the Company and senior management personnel, that:

- a. The Board of Directors has laid down a Code of Conduct, Ethics and Business Principles for all Board members and Senior Management of the Company [‘the Code of Conduct’];
- b. The Code of conduct has been posted on the website of the Company;
- c. All the Board Members and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended 31<sup>st</sup> March 2017.

**For and on behalf of the Board of Directors**

**Purushottam C. Mandhana**  
(Chairman and Managing Director)

**Place :** Mumbai

**Date :** 9<sup>th</sup> August, 2017



## **COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

To,  
The Board of Directors,  
**Mandhana Industries Limited**

I, undersigned in my capacity as the Chairman and 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 31<sup>st</sup> March, 2017 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 my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c) I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the Internal control systems of the Company pertaining to financial reporting and I have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) I have indicated to the Auditors and Audit Committee:
  - i. significant changes, if any, 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 and on behalf of the Board of Directors**

**Purushottam C. Mandhana**  
**(Chairman and Managing Director)**

**Place :** Mumbai

**Date :** 9<sup>th</sup> August, 2017

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015**

**To,  
The Members of MANDHANA INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mandhana Industries Limited ("the Company"), for the year ended on 31<sup>st</sup> March, 2017, as stipulated under Chapter IV to the Securities and Exchange Board of India ("Listing Obligations and Disclosure Requirements") Regulations, 2015 ("Listing Regulations"). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the aforesaid Chapter. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations, except i) Regulation 17(1)(b) of Listing Regulations which requires appointment of a Women Director on the Board; and ii) Regulation 18(2)(a) of Listing Regulations which requires time period between two Audit Committee meetings shall not exceed one hundred and twenty days i.e. no Audit Committee meetings were held between the period, 24<sup>th</sup> May, 2016 and 1<sup>st</sup> March, 2017, on account of lack of quorum in the Audit Committee of the Company in terms of the requirement of constitution of the Audit Committee under Regulation 18 of Listing Regulations.

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

**For KPND & CO.,  
Chartered Accountants,  
FIRM REGISTRATION NO. 133861W**

**NILESH J. DHAMECHA  
(PARTNER)  
MRN: 143172**

**Place :** Mumbai

**Date :** 25<sup>th</sup> July, 2017



## **Independent Auditor's Report**

### **To the Members of Mandhana Industries Limited**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Mandhana Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Emphasis of matter**

We draw attention to the following matter in the notes to the Ind As financial statements:

- a) As explained in note no 31 (i), the Company has not made provision against doubtful debts amounting ₹ 30501.29 lacs. Though the Company is under negotiation with customer to recover the same. Had this provision been made the profit would

have been reduced to the extent and the current assets would also be reduced to the extent of non-provision of the doubtful debts.

- b) As explained in note no 31 (ii), the Company has not made any provision against non-recoverable advances to vendors amounting ₹ 7183.42 lacs. Though the Company is under negotiation with vendor to recover the same. Had this provision been made the profit would have been reduced to the extent and the current assets would also be reduced to the extent of non-provision of the non-recoverable advances.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
    - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.



**Disclosure on Specified Bank Notes (SBN's)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBN's and other notes as per the notification given below:

Particulars	SBN's	Other denomination notes	TOTAL
Closing cash in hand as on November 8, 2016	1,766,550.00	27,16,517.00	44,83,067.00
<b>Transaction between 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016</b>			
(+) Permitted Cash Receipts (Withdrawals)		40,41,000.00	4,041,000.00
(+) Permitted Cash Receipts (Parties)		4,26,915.00	426,915.00
(-) Permitted Payments	86,550.00		86,550.00
(-) Other payments outgo		36,74,978.00	3,674,978.00
(-) Amount deposited in Banks	1,680,000.00	-	1,680,000.00
<b>Closing cash in hand as on December 30, 2016</b>	-	35,09,454.00	35,09,454.00

**For KPND & Co.**

CHARTERED ACCOUNTANTS

FRN : 133861W

**NILESH J.DHAMECHA**

Partner

Membership No: 143172

**Date :** 26<sup>th</sup> May, 2017

**Place :** Mumbai

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2017,

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that the Company has formulated a program of physical verification of all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by management during the year

and no material discrepancies were noticed on such verification.

- (c) We are informed that title deeds in respect of all the immovable properties either free hold or lease hold are held in the name of the Company except for immovable property viz. factory building situated at Sewri, Mumbai. Company has entered into Memorandum of Understanding but registered title deed is not executed in favour of the Company.
- (ii) As explained to us,
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.



- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the 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.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

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.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable except for income tax mention below.

Name of the Statute	Nature of the dues	Amount (₹ in crore)	Period to which the amount relates	Due Date
Income Tax Act, 1961	Corporate Tax	15.77	A.Y. 2015-16	30 <sup>th</sup> November, 2015
Income Tax Act, 1961	Corporate Tax	27.66	A.Y. 2016-17	30 <sup>th</sup> November, 2016

- (b) According to the information and explanations given to us and according to the records of the Company, there are no dues of income-tax or sales-tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of the Statute	Nature of the disputed dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	2.91	May'01 to May'03	Mumbai High Court & Settlement Commission



- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of dues to the banks and debenture holders at the balance sheet date. The Details of all the defaults in repayment of instalments are as below.

Sr. No.	Banks/Fis	DueDate	Overdue	Facility
1	Bank of Baroda	30-Sep-16	3,750,000	Term Loan
		31-Dec-16	3,750,000	
		31-Mar-17	3,750,000	
2	Bank of Baroda	01-Oct-16	30,000,000	Term Loan
		01-Jan-17	30,000,000	
3	Indian Bank	02-Aug-16	1,061,016	Term Loan
		02-Nov-16	4,687,500	
		02-Feb-17	4,687,500	
4	State Bank of India	30-Sep-16	5,625,000	Term Loan
		30-Dec-16	5,625,000	
		30-Mar-17	5,625,000	
5	Punjab National Bank	31-Aug-16	16,875,000	Term Loan
		30-Nov-16	16,875,000	
		28-Feb-17	16,875,000	
6	Axis Bank	07-May-16	18,750,000	Term Loan
		07-Aug-16	18,750,000	
		07-Nov-16	18,750,000	
		07-Feb-17	18,750,000	
7	Axis Bank	15-May-16	29,700,000	Term Loan
		15-Aug-16	29,700,000	
		15-Nov-16	29,700,000	
		15-Feb-17	29,700,000	
8	Allahabad Bank (SBoP Takeover) - II	30-Jun-16	12,900,000	Term Loan
		30-Sep-16	12,900,000	
		31-Dec-16	12,900,000	
		28-Mar-17	12,900,000	
9	Allahabad Bank (SBoP Takeover) - III	31-Mar-16	25,782,000	Term Loan
		30-Jun-16	25,782,000	
		30-Sep-16	25,782,000	
		31-Dec-16	25,782,000	
		28-Mar-17	25,782,000	
10	Allahabad Bank	19-Mar-16	60,531,470	Term Loan
11	Allahabad Bank	30-Jun-16	9,000,000	Term Loan
		30-Sep-16	11,250,000	
		31-Dec-16	11,250,000	
		28-Mar-17	11,250,000	
12	Corporation Bank	02-Mar-17	9,167,500	Term Loan
13	Karur Vyasa Bank	19-Dec-16	11,573,978	Term Loan
		19-Mar-17	15,625,000	
<b>Total (A)</b>			<b>663,143,964</b>	

Sr. No.	Banks/Fis	DueDate	Overdue	Facility
1	L & T LTD.	28-Sep-16	30,000,000	Non Convertible Debenture
		28-Mar-17	30,000,000	
2	CANARA BANK	03-Oct-16	30,000,000	Non Convertible Debenture
3	ALLHABAD BANK	28-Mar-17	15,000,000	Non Convertible Debenture
4	INDIAN OVERSEAS BANK	15-Mar-17	60,000,000	Non Convertible Debenture
5	BANK OF INDIA	28-Mar-17	75,000,000	Non Convertible Debenture
<b>Total (B)</b>			<b>240,000,000</b>	
<b>Grand Total (A+B)</b>			<b>903,143,964</b>	

- (ix) The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.  
Clauses 3(iii) (a), 3(iii) (b), 3(iii) (c), 3(v), 3(xii), 3(xiv) and 3(xv) of the Order are not applicable to the Company.

**For KPND & Co.**

CHARTERED ACCOUNTANTS

FRN : 133861W

**NILESH J.DHAMECHA**

Partner

Membership No: 143172

**Date :** 26<sup>th</sup> May, 2017

**Place :** Mumbai



**Annexure A referred to in paragraph 1(f) of Our Report of even date to the members of MANDHANA INDUSTRIES LIMITED on the Financial Statements of the company for the year ended 31<sup>st</sup> March, 2017**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of MANDHANA INDUSTRIES LIMITED ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

**Meaning of Internal Financial Controls over Financial Reporting**

Internal financial control over financial reporting is a process designed by the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Further, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate owing to changes in conditions, or that the

degree of compliance with the policies or procedures may deteriorate or for other reasons

**Opinion**

In our opinion, Based on representations provided to us by the Management, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For KPND & Co.**

CHARTERED ACCOUNTANTS

FRN : 133861W

**NILESH J.DHAMECHA**

Partner

Membership No: 143172

**Date :** 26<sup>th</sup> May, 2017

**Place :** Mumbai



**MANDHANA**  
a whirlpool of ideas!

**Mandhana Industries Limited**

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

PARTICULARS	NOTE No.	₹ In Lakhs)	
		AS AT 31.03.2017	AS AT 31.03.2016
<b>ASSETS</b>			
Non-Current Assets			
(a) Property, Plant and Equipment	1	63,539.16	68,473.82
(b) Intangible assets		7.75	5.54
(c) Financial Assets			
(i) Other Financial Assets	2(A)	203.37	2,127.15
(d) Other non-current assets	2(B)	885.00	960.00
<b>Sub-Total - Non-Current Assets</b>		<b>64,635.29</b>	<b>71,566.51</b>
<b>Current Assets</b>			
(a) Inventories	3	18,708.57	54,243.85
(b) Financial Assets			
(i) Trade Receivables	4	41,693.64	52,918.54
(ii) Cash and cash equivalents	5	530.03	1,143.55
(iii) Current Investments	6	0.25	0.25
(iv) Short term Loans and Advances	7	7,418.91	15,138.51
(c) Other Current Assets	8	2,011.45	4,239.47
<b>Sub-Total - Current Assets</b>		<b>70,362.84</b>	<b>1,27,684.17</b>
<b>TOTAL ASSETS</b>		<b>1,34,998.13</b>	<b>1,99,250.68</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	3,312.39	3,312.39
(b) Other Equity	10	1,411.89	74,161.77
<b>Sub-Total-Equity</b>		<b>4,724.28</b>	<b>77,474.16</b>
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Long term Borrowings	11	10,256.69	22,185.00
(ii) Other Financial Liabilities	12	26.22	49.04
(b) Long Term Provisions	13	83.25	101.97
(c) Deferred Tax Liabilities (Net)	14	7,455.14	8,455.75
<b>Sub-Total-Non-Current Liabilities</b>		<b>17,821.30</b>	<b>30,791.76</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Short term Borrowings	15	74,706.01	67,165.33
(ii) Trade Payables		5,905.25	3,909.64
(ii) Other Current Financial liabilities	16 (A)	26,450.00	11,327.57
(b) Other Current Liabilities	16 (B)	1,065.32	3,166.64
(c) Short term Provisions	17	4,325.98	5,415.59
<b>Sub-Total-Current Liabilities</b>		<b>1,12,452.55</b>	<b>90,984.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,34,998.13</b>	<b>1,99,250.68</b>

The Notes are integral part of the Balance Sheet and Profit & Loss Account

AS PER OUR REPORT OF EVEN DATE ATTACHED

**For KPND & Co.**

CHARTERED ACCOUNTANTS

FRN : 133861W

**NILESH J.DHAMECHA**

Partner

Membership No: 143172

**Place:** MUMBAI

**Date:** 26<sup>th</sup> May, 2017

**FOR MANDHANA INDUSTRIES LIMITED**

**Purushottam C. Mandhana**

Chairman & Managing Director

**Manish B. Mandhana**

Non Executive Director

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(₹ In Lakhs)			
PARTICULARS	NOTE No.	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>I Income</b>			
Revenue From Operations	18	51,671.16	1,64,660.61
<b>II Other Income</b>	19	355.52	1,343.53
<b>III Total Revenue (I + II)</b>		<b>52,026.68</b>	1,66,004.14
<b>IV Expenses</b>			
Cost of Materials Consumed	20	41,456.57	72,846.89
Cost of goods Traded	21	16,550.64	35,712.60
Changes in inventories of finished good work-in-progress and Stock-in-Trade	22	24,573.76	808.15
Manufacturing and Operating Costs	23	12,086.94	16,047.28
Employee Benefit Expenses	24	8,906.07	10,238.53
Finance Costs	25	13,805.06	11,899.14
Depreciation & Amortisation Expenses	10	5,207.46	4,013.60
Other Expenses	26	4,286.07	4,934.05
<b>Total Expenses</b>		<b>1,26,872.57</b>	1,56,500.24
<b>V Profit before tax (III - IV)</b>		<b>(74,845.89)</b>	9,503.90
<b>VI Tax Expense</b>			
Current Tax		-	3,218.28
Deferred Tax		(1,000.61)	182.12
<b>VII Profit/ (Loss) for the year (V - VI)</b>		<b>(73,845.28)</b>	6,103.50
Income Tax paid for earlier Year		(997.15)	69.07
<b>Net Profit/ (Loss) for the Year</b>		<b>(72,848.13)</b>	6,034.43
Other Comprehensive Income		98.26	55.97
<b>Total Comprehensive Income for the period</b>		<b>(72,749.87)</b>	6,090.40
<b>TOTAL</b>		<b>(72,749.87)</b>	6,090.40
Earning Per Equity Share of ₹ 10 each			
Basic EPS (₹)		(219.63)	18.39
Diluted EPS (₹)		(219.63)	18.39
Weighted average number of shares outstanding		3,31,23,913	3,31,23,913

The Notes are integral part of the Balance Sheet and Profit & Loss Account

AS PER OUR REPORT OF EVEN DATE ATTACHED

**For KPND & Co.**

CHARTERED ACCOUNTANTS

FRN : 133861W

**NILESH J.DHAMECHA**

Partner

Membership No: 143172

**Place :** MUMBAI

**Date :** 26<sup>th</sup> May, 2017

**FOR MANDHANA INDUSTRIES LIMITED**

**Purushottam C. Mandhana**

Chairman & Managing Director

**Manish B. Mandhana**

Non Executive Director



**CASH FLOW STATEMENT FOR THE PERIOD FROM 1/4/2016 TO 31/03/2017**

(₹ In Lakhs)  
Previous Year

	Current Year	Previous Year
<b>Cash Flows from Operating Activities</b>		
Net Profit/ (Loss) before taxation and extraordinary item	(74,747.63)	9,559.87
<b>Adjustments for:</b>		
Depreciation charged to Profit & Loss A/c	5,207.46	4,013.60
Finance Charges and Gain/Loss on variation in Foreign Exchange Rates	59.96	557.69
Land premium w/off	-	15.14
Loss on sale of fixed assets	-	76.23
Profit on sale of fixed assets	(222.78)	-
Interest Expenses	13,745.10	11,341.45
Operating profit before working capital changes	(55,957.88)	25,563.97
Decrease/ (Increase) in Inventories	35,535.29	(1,030.64)
Decrease/ (increase) in Debtors	11,224.90	(12,081.65)
Decrease/ (Increase) in Short term loan and Advances	9,947.62	(7,825.46)
(Decrease)/ Increase in Creditors	1,995.61	(550.59)
(Decrease)/ Increase in other liabilities	(2,500.94)	2,331.59
Cash generated from operations	244.59	6,407.22
Income Tax Paid	(89.74)	(340.18)
<b>Net cash flow from / (used in) operating activities</b>	<b>154.86</b>	6,067.04
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(323.78)	(1,888.67)
Proceeds from sales of fixed assets	271.54	62.59
Capital Advances against Fixed Assets	75.00	184.64
FD Proceed with banks	775.62	(170.41)
Long Term Deposits	1,923.78	(155.36)
<b>Net cash from / (used in) investing activities</b>	<b>2,722.17</b>	(1,967.22)



**CASH FLOW STATEMENT FOR THE PERIOD FROM 1/4/2016 TO 31/03/2017**(₹ In Lakhs)  
Previous Year

	Current Year	Previous Year
<b>Cash flow from financing activities</b>		
Increase in long term borrowings (Net)	(1,668.28)	(3,306.07)
Increase /(Decrease) in Working Capital finance	11,927.44	9,657.73
Increase /(Decrease) in unsecured loans	(4,446.72)	1,500.00
Dividend Paid (inclusive of dividend tax)	-	(797.37)
Interest paid	(8,527.37)	(11,341.45)
<b>Net cash from financing activities</b>	<b>(2,714.93)</b>	(4,287.15)
<b>Net increase in cash and cash equivalents</b>	<b>162.10</b>	(187.33)
<b>Cash &amp; cash equivalents at the beginning</b>	<b>235.15</b>	422.48
<b>Cash &amp; cash equivalents at the end (As per note)</b>	<b>397.25</b>	235.15
	<b>162.10</b>	(187.33)

(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

**For KPND & Co.**

CHARTERED ACCOUNTANTS

FRN : 133861W

**NILESH J.DHAMECHA**

Partner

Membership No: 143172

**Place :** MUMBAI**Date :** 26<sup>th</sup> May, 2017**FOR MANDHANA INDUSTRIES LIMITED****Purushottam C. Mandhana**

Chairman &amp; Managing Director

**Manish B. Mandhana**

Non Executive Director



NOTE 1 "PROPERTY, PLANT AND EQUIPMENT"													(₹ In Lakhs)	
SR. NO.	DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK				
		COST AS AT 31.03.2016	ADDITIONS	DELETION/ADJUSTMENT	REVALUATION	COST AS AT 31.03.2017	UP TO 31.03.2016	FOR THE YEAR ENDED	DELETION/ADJUSTMENT	IMPAIRMENT	UP TO 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016	
(I)	<b>TANGIBLE ASSETS</b>													
1	LEASE HOLD LAND*	16,523.62	-	-	-	16,523.62	-	-	-	-	-	16,523.62	16,523.62	
2	FREEHOLD LAND	925.31	-	-	-	925.31	-	-	-	-	-	925.31	925.31	
3	FACTORY BUILDING	21,065.78	89.30	-	-	21,155.07	3,804.38	663.77	-	1,122.80	5,590.95	15,564.13	17,261.40	
4	RESIDENTIAL BUILDING	2,257.59	1.18	56.43	-	2,202.34	128.65	36.41	7.86	-	157.19	2,045.14	2,128.94	
5	OFFICE BUILDING	291.83	-	-	-	291.83	38.73	4.61	-	-	43.34	248.49	253.10	
6	PLANT & MACHINERY	46,248.93	198.40	-	-	46,447.33	16,368.23	3,028.74	-	-	19,396.97	27,050.36	29,880.70	
7	FACTORY EQUIPMENT	47.97	0.08	-	-	48.06	18.08	9.13	-	-	27.21	20.85	29.89	
8	AIR CONDITIONER	121.42	1.13	-	-	122.55	51.67	23.07	-	-	74.74	47.81	69.75	
9	FURNITURE & FIXTURES	1,661.43	1.99	-	-	1,663.42	678.27	155.90	-	-	834.17	829.25	983.16	
10	MOTOR CAR & BIKES	318.22	-	12.70	-	305.52	129.64	36.20	12.50	-	153.34	152.18	188.58	
11	OFFICE EQUIPMENT	135.02	0.65	-	-	135.67	49.69	25.75	-	-	75.45	60.22	85.32	
12	ELECTRICAL INSTALLATIONS	93.59	-	-	-	93.59	23.60	8.89	-	-	32.49	61.10	69.99	
13	COMPUTER ACCESSORIES	308.99	23.42	-	-	332.41	234.93	86.65	-	-	321.58	10.83	74.06	
	<b>TOTAL :</b>	<b>89,999.70</b>	<b>316.14</b>	<b>69.13</b>	-	<b>90,246.71</b>	<b>21,525.88</b>	<b>4,079.12</b>	<b>20.37</b>	<b>1,122.80</b>	<b>26,707.43</b>	<b>63,539.16</b>	<b>68,473.82</b>	
	PREVIOUS YEAR TOTAL :	72,508.66	1,888.67	201.04	15,803.42	89,999.70	17,589.42	3,998.68	62.22	-	21,525.88	68,473.82	54,919.23	
As per accounting policy Company has done test of impairment for the year and it find that the Factory Building at Baramati has impaired due to high cost of interest expenses capitalized mainly due to interest related to prior commencement period and an amount of ₹1122.80 lacs charge to profit & loss as impairment loss.														
(II)	<b>INTANGIBLE ASSETS</b>													
1	COMPUTER SOFTWARE	196.48	7.76	-	-	204.23	190.95	5.54	-	-	196.49	7.74	5.54	
	<b>TOTAL :</b>	<b>196.48</b>	<b>7.76</b>	<b>-</b>	<b>-</b>	<b>204.23</b>	<b>190.95</b>	<b>5.54</b>	<b>-</b>	<b>-</b>	<b>196.49</b>	<b>7.74</b>	<b>5.54</b>	
	PREVIOUS YEAR TOTAL :	196.48	-	-	-	196.48	160.89	30.06	-	-	190.95	5.54	35.59	

(₹ In Lakhs)

	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 2(A) "OTHER FINANCIAL ASSETS"</b>		
Security Deposits	203.37	2,127.15
Unsecured, Considered Good		
<b>Total</b>	<b>203.37</b>	<b>2,127.15</b>

(₹ In Lakhs)

	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 2(B) "OTHER NON -CURRENT ASSETS"</b>		
Long term advances	885.00	960.00
Unsecured, Considered Good		
<b>Total</b>	<b>885.00</b>	<b>960.00</b>

(₹ In Lakhs)

	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 3 "INVENTORIES"</b>		
Finished Goods	12,575.39	37,792.83
Raw Materials	2,659.62	13,008.39
Store & Spares	686.49	1,299.26
Work in Process	2,787.06	2,143.39
<b>Total</b>	<b>18,708.57</b>	<b>54,243.85</b>

**Details of Finished Goods****FINISHED GOODS**

Grey Fabric	149.74	19,672.56
Finish Fabric	11,586.53	15,338.39
Garments	839.12	2,781.88
	<b>12,575.39</b>	<b>37,792.83</b>

**Details of Raw Materials****RAW MATERIALS**

Yarn	613.65	1,498.74
Grey Fabric	1,227.44	10,122.24
Finish Fabric	818.54	1,387.41
	<b>2,659.62</b>	<b>13,008.39</b>

**Details of Work in Progress****WORK IN PROGRESS**

Yarn	30.63	119.12
Finish Fabrics	2,335.76	1,629.24
Garments	420.67	395.03
	<b>2,787.06</b>	<b>2,143.39</b>

For Mode of Valuation, refer Annexure I



(₹ In Lakhs)

	<b>AS AT 31.03.2017</b>	AS AT 31.03.2016
<b>NOTE 4 "TRADE RECEIVABLES"</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment unsecured, considered good *	<b>6,294.11</b>	52,096.71
Trade receivables outstanding for a period exceeding six months from the date they are due for payment unsecured, considered good	<b>35,399.52</b>	821.82
Unsecured, considered doubtful **	<b>306.99</b>	115.25
Less: Provision for Doubtful Debts	<b>(306.99)</b>	(115.25)
<b>Total</b>	<b>41,693.64</b>	52,918.54

\* Includes an amount of NIL (Previous Year ₹ 505.83 lacs) receivable from Mandhana Retail ventures Limited.

\*\* Refer to Note no 31(i) for trade receivable outstanding for a period exceeding more than six months.

	<b>AS AT 31.03.2017</b>	AS AT 31.03.2016
<b>NOTE 5 "CASH AND CASH EQUIVALENTS"</b>		
(i) Cash and Cash Equivalents		
a. Balances with Banks	<b>376.60</b>	179.09
b. Cash on Hand	<b>20.65</b>	56.06
(ii) Other Bank Balances		
a. Balances with banks to the extent held as margin money*	<b>132.78</b>	908.40
<b>Total</b>	<b>530.03</b>	1,143.55

\* Margin Money of ₹ 38.22 lacs ( Previous Year ₹ 38.22 lacs ) paid for Bank Guaranty to Sales tax Department & MSEB and remaining for LC Margin due course of Business.

## NOTE 6 "CURRENT INVESTMENTS"

(₹ In Lakhs)

A. Details of Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units 31-Mar-17	31-Mar-16	Quoted / Unquoted	Partly Paid / Fully paid	31-Mar-17	31-Mar-16	Amount in Lakhs 31-Mar-17	31-Mar-16	Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
	1	2	3	4	5	6	7	8			9	10
(a)	Investment Properties		-	-	-	-	-	-	-	-	-	
(b)	Investment in Equity Instruments											
	The Saraswat Co-Op Bank Ltd	Others	2,500	2,500	Unquoted	Fully Paid	0.25	0.25	0.25	0.25	YES	
	<b>Total</b>						0.25	0.25	0.25	0.25		



	(₹ In Lakhs)	
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 7 "SHORT TERM LOANS AND ADVANCES"</b>		
a. Loans and advances to related parties Mandhana Retail Ventures Limited Unsecured, Considered Good	-	1.35
b. Others * Unsecured, Considered Good	<b>7,418.91</b>	15,137.15
<b>Total</b>	<b>7,418.91</b>	15,138.51

	(₹ In Lakhs)	
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 8 "OTHER CURRENT ASSETS"</b>		
a. Exports Incentives receivable	<b>685.93</b>	873.70
b. TUF Interest Subsidy Receivable Less : Provided for subsidy ageing more than 2Years Net TUF Receivable	<b>2,029.27</b> <b>1,021.26</b>	2,239.24 -
c. Interest and Other Receivable	<b>5.35</b>	48.41
d. Vat Refund Receivable	<b>239.75</b>	300.33
e. Forward Contract Premium Receivable	-	527.65
f. Pre Paid Expenses	<b>72.40</b>	250.14
<b>Total</b>	<b>2,011.45</b>	4,239.47

	(₹ In Lakhs)	
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 9 "EQUITY SHARE CAPITAL"</b>		
Authorised		
4,99,90,000 Equity Shares of ₹ 10/- each	<b>4,999.00</b>	4,999.00
10,000 Preference Shares of ₹ 10/- each	<b>1.00</b>	1.00
	<b>5,000.00</b>	5,000.00
Issued, Subscribed & Paid Up		
3,31,23,913 Equity Shares of ₹ 10/- each fully paid up	<b>3,312.39</b>	3,312.39
<b>Total</b>	<b>3,312.39</b>	3,312.39

The Company has only one class of equity shares having at par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Details of Shareholders holding more than 5% share:

Name of Shareholder	As at 31 <sup>st</sup> March,2017		As at 31 <sup>st</sup> March,2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PRIYAVRAT P. MANDHANA JT. PURUSHOTTAM C. MANDHANA	19,70,811	5.95	38,03,709	11.48
PURUSHOTTAM C. MANDHANA (HUF)	30,20,600	9.12	32,20,600	9.72
MANISH B. MANDHANA JT. SANGEETA M. MANDHANA	22,47,649	6.79	22,47,649	6.79
PURUSHOTTAM C. MANDHANA JT. PREMA P. MANDHANA	21,39,681	6.46	21,39,681	6.46
PREMA P. MANDHANA JT. PURUSHOTTAM C. MANDHANA	21,16,738	6.39	21,95,609	6.63
BIHARILAL C. MANDHANA JT. SUDHA B. MANDHANA	17,02,065	5.14	17,02,065	5.14
SUDHA B. MANDHANA JT. BIHARILAL C. MANDHANA			22,56,352	6.81
	<b>1,31,97,544</b>		<b>1,75,65,665</b>	

	(₹ In Lakhs)	
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 10 "OTHER EQUITY"</b>		
<b>A. Capital Reserve ( Special Capital Incentive )</b>		
Opening Balance	25.00	25.00
Add: Addition during the year	-	-
Closing Balance	25.00	25.00
<b>B. Share Premium</b>		
Opening Balance	10,947.62	34,877.72
Add: Addition during the year	-	-
Closing Balance	10,947.62	10,947.62
<b>C. General Reserve</b>		
Opening Balance	5,314.97	5,314.97
Add: Addition during the year	-	-
Closing Balance	5,314.97	5,314.97
<b>D. Debentures Redemption Reserve</b>		
Opening Balance	1,425.00	1,900.00
Less: Transfer to Profit & Loss Account	-	475.00
Closing Balance	1,425.00	1,425.00
<b>E. Revaluation Reserve</b>		
Opening Balance	15,803.42	-
Addition during the year	-	15,803.42
Closing Balance	15,803.42	15,803.42
<b>F. Surplus i.e Balance in Profit &amp; Loss Account</b>		
Opening Balance	40,645.75	34,877.72
Add: Surplus during the year	(72,749.87)	6,090.40
Add: Transfer from Debenture Redemption Reserves	-	475.00
Less: Dividends (Inclusive of Dividend Distribution Tax)	-	797.36
Closing Balance	(32,104.12)	40,645.76
<b>Total</b>	<b>1,411.89</b>	<b>74,161.77</b>



(₹ In Lakhs)

	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 11 "LONG TERM BORROWINGS"</b>		
a) Debenture (Secured ) (Refer Note 1)	<b>5,700.00</b>	5,700.00
Less: Repayable in Next One Year as per sanction term	<b>(5,300.00)</b>	(2,400.00)
Less: Ind As Impact	<b>(37.20)</b>	(98.74)
	<b>362.80</b>	3,201.26
b) Term Loan (Secured ) (Refer Note 2)		
From Banks	<b>25,920.92</b>	27,713.40
Less: Repayable in Next One Year as per sanction term	<b>(15,932.26)</b>	(8,549.41)
Less: Ind As Impact	<b>(94.77)</b>	(180.26)
	<b>9,893.89</b>	18,983.73
	<b>10,256.69</b>	22,185.00

Note Installments falling due in respect of all the above long term loans including NCDs upto 31.03.2018(for Previous Year 31.03.2017) and installment due but not paid have been grouped under"Current maturities of Long Term debt". (Refer Note 16A)

**Note 1 Debentures Outstanding at the year end are redeemable as follows**

Nos	Particulars	Allotment Date	Debenture Holder	AS AT 31.03.2017	Redemption Ratio from Allotment Date
20	12.25 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,20,00,000</b>	10:10:10:10:15:15:15:15 redeemable at the end of 18 <sup>th</sup> , 24 <sup>th</sup> , 30 <sup>th</sup> , 36 <sup>th</sup> , 42 <sup>nd</sup> , 48 <sup>th</sup> , 54 <sup>th</sup> & 60 <sup>th</sup> months respectively from the Allotment Date
30	12.25 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,80,00,000</b>	
30	12.25 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,80,00,000</b>	
30	12.25 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,80,00,000</b>	
30	12.25 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,80,00,000</b>	
30	12.25 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,80,00,000</b>	
30	12.25 Secured Redeemable Non convertible Debentures of ₹10,00,000/- each	28-Mar-13	L&T Finance Limited	<b>1,80,00,000</b>	



<b>Nos</b>	<b>Particulars</b>	<b>Allotment Date</b>	<b>Debenture Holder</b>	<b>AS AT 31.03.2017</b>	<b>Redemption Ratio from Allotment Date</b>
15	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	Allahabad bank	<b>1,05,00,000</b>	30:30:40 redeemable at the end of 36 <sup>th</sup> , 48 <sup>th</sup> & 60 <sup>th</sup> months respectively from the Allotment Date
15	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	Allahabad bank	<b>1,05,00,000</b>	
20	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	Allahabad bank	<b>1,40,00,000</b>	
75	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	Bank of India	<b>5,25,00,000</b>	30:30:40 redeemable at the end of 36 <sup>th</sup> , 48 <sup>th</sup> & 60 <sup>th</sup> months respectively from the Allotment Date
75	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	Bank of India	<b>5,25,00,000</b>	
100	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	28-Mar-13	Bank of India	<b>7,00,00,000</b>	
30	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	3-Oct-13	Canara Bank	<b>3,00,00,000</b>	30:30:40 redeemable at the end of 36 <sup>th</sup> , 48 <sup>th</sup> & 60 <sup>th</sup> months respectively from the Allotment Date
30	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	3-Oct-13	Canara Bank	<b>3,00,00,000</b>	
40	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	3-Oct-13	Canara Bank	<b>4,00,00,000</b>	
60	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	15-Mar-13	Indian Overseas Bank	<b>4,20,00,000</b>	30:30:40 redeemable at the end of 36 <sup>th</sup> , 48 <sup>th</sup> & 60 <sup>th</sup> months respectively from the Allotment Date
60	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	15-Mar-13	Indian Overseas Bank	<b>4,20,00,000</b>	
80	12.75 Secured Redeemable Non convertible Debentures of ₹ 10,00,000/- each	15-Mar-13	Indian Overseas Bank	<b>5,60,00,000</b>	
All the Debentures are secured by all the movable & Immovable assets Situated at Plot no E-25 & E-33, MIDC Tarapur.					



**Note 2 Nature of Security and terms of repayment for Long Term secured borrowings**

Sr no.	Name of Bank	Sanctioned Amount	Balance Outstanding as on 31 <sup>st</sup> March 2017 (₹ In Lakhs)	Interest Rate at Period end	Nature of Securities	Repayment terms of interest and principal
1	Corporation Bank, IFB, Mumbai.	Term Loan of ₹ 2200.00 Lac (Inclusive of Buyer's Credit of ₹ 550.95 Lakhs)	<b>1638.37</b> <b>(1925.23)</b>	12.40% (12.40%)	Extension of Paripassu first charges on land & building and P&M of the Bangalore Unit no-2	Quarterly installments of ₹ 91.67 lacs each Commencing from the next quarter after a moratorium period of 12 month from the date of first drawdown.
2	Allahabad Bank, Nariman Point, Mumbai.	Term Loan of ₹ 2061.00 Lac	<b>772.97</b> <b>(901.88)</b>	12.00% (12.00%)	(Secured by hypothication of Plant & Machinery & Mortgage of immovable properties at C-2 MIDC, Tarapur)	15 equal quarterly installments of ₹ 129.00 Lakhs Commencing from 31/03/2013, last installment will fall due 30/09/2017
		Term Loan of ₹ 6704.00 Lac	<b>4381.44</b> <b>(4381.44)</b>	12.00% (12.00%)		25 equal quarterly installments of ₹ 257.82 Lakhs Commencing from 31/03/2013, last installment will fall due 31/03/2020.
		Term Loan of ₹ 4500.00 Lac	<b>4434.73</b> <b>(4332.16)</b>	12.00% (12.00%)		32 quarterly installments with 1 <sup>st</sup> installment of ₹ 90 Lakhs falling due in June 2016, thereafter installments of ₹ 112.5 Lakhs each for next 8 quarters, thereafter installment of ₹ 135 Lakhs each for next 16 quarters, thereafter installments of ₹ 168.8 Lac each for next 4 quarters and for last 3 quarters installment of ₹ 225 lacs each ending March 2024.

Sr no.	Name of Bank	Sanctioned Amount	Balance Outstanding as on 31 <sup>st</sup> March 2017 (₹ In Lakhs)	Interest Rate at Period end	Nature of Securities	Repayment terms of interest and principal
		Term Loan of ₹ 5000.00 Lac	<b>604.98 (750.00)</b>	12.70% (12.70%)		8 quarterly installments with first installment of ₹ 250 Lac falling due in June 2014, thereafter 4 equal instalment of ₹ 625 Lac each for next 4 quarters and last 3 installments of ₹ 750 Lakhs each due in last 3 quarters ending March 2016.
3	Axis Bank Limited	Term Loan of ₹ 5000.00 Lac	<b>1875.00 (1875.00)</b>	13.00% (13.00%)	(Secured by Hypothecation of Plant & Machineries & Mortgage of immovable properties of fixed assets of the Company excluding Assets charged on exclusive basis)	Repayable in 32 quarterly instalments commencing from 31/12/2010 and last instalment will fall due on 30/09/2018.
	Bank of Baroda	Term Loan of ₹ 8000.00 Lac	<b>2400.00 (3000.00)</b>	12.15% (12.15%)		
	Indian Bank	Term Loan of ₹ 1250.00 Lac	<b>385.56 (468.70)</b>	13.70% (13.70%)		
	Punjab National Bank	Term Loan of ₹ 4500.00 Lac	<b>1518.39 (1687.14)</b>	14.00% (14.00%)		
	State Bank of India(Erstwhile State Bank of Saurashtra) *	Term Loan of ₹ 1500.00 Lac	<b>449.47 (561.97)</b>	13.75% (13.75%)		
4	Axis Bank Limited	Term Loan of ₹ 9500.00 Lac (Inclusive of Buyer's Credit of ₹ 469.60 ( Lakhs)	<b>3763.02 (3712.38)</b>	13.00% (13.00%)	(Secured by Hypothecation of Plant & Machinery at Plot No. 17-20 & 34-39, Baramati Hitech Textile Park, MIDC, Baramati	32 equal quarterly installments of ₹ 297.00 Lakhs Commencing from 31/12/2012 and last instalment will fall due on 30/09/2020.
5	Bank of Baroda	Term Loan of ₹ 1200.00 Lac	<b>487.50 (525.00)</b>	12.15% (12.15%)	(Secured by Hypothecation of specified plant & machinery installed at Plot No. E-33, MIDC, Tarapur)	In 32 quarterly instalments commencing from 31/12/2011 and last instalment will fall due on 30/09/2019.



Sr no.	Name of Bank	Sanctioned Amount	Balance Outstanding as on 31 <sup>st</sup> March 2017 (₹ In Lakhs)	Interest Rate at Period end	Nature of Securities	Repayment terms of interest and principal
6	Karur Vyasya Bank	Term Loan of ₹ 2500.00 Lac	<b>1209.49 (1562.50)</b>	12.40% (12.40%)	(first pari-passu charge secure by hypothecation of Plant & Machinery & Mortgage of immovable properties situated at E-25 and E-33, MIDC, Tarapur)	16 equal quarterly installments of ₹ 156.25 Lakhs commencing from Dec 2014 and with last installment falling due on Sept 2018.
7	Saraswat Bank	Term Loan of ₹ 2000.00 Lac	<b>2000.00 (2000.00)</b>	12.50% (12.50%)	(first pari-passu charge secure by hypothecation of Plant & Machinery & Mortgage of immovable properties situated at E-25 and E-33, MIDC, Tarapur)	13 equal quarterly installments of ₹ 153.85 Lakhs commencing from April 2018 and with last installment falling due on July 2020.

(₹ In Lakhs)

	<b>AS AT 31.03.2017</b>	AS AT 31.03.2016
<b>NOTE 12 "OTHER FINANCIAL LIABILITIES"</b>		
Vehicle loans from Banks / Finance Co.	<b>26.22</b>	49.04
<b>TOTAL</b>	<b>26.22</b>	49.04

(₹ In Lakhs)

	<b>AS AT 31.03.2017</b>	AS AT 31.03.2016
<b>NOTE 13 "LONG TERM PROVISIONS"</b>		
Gratuity Provision for employee benefits	<b>83.25</b>	101.97
<b>TOTAL</b>	<b>83.25</b>	101.97

(₹ In Lakhs)			
Particulars	Deferred Tax Liability/ (Asset) as at 01.04.2016	Current Year charge/(credit)	Deferred tax Liability/ (Asset) as at 31.03.2017
<b>NOTE 14 "DEFERRED TAX LIABILITIES"</b>			
Deferred Tax Liabilities:			
Difference between book and tax Depreciation	8435.35	<b>(842.30)</b>	7593.04
Ind As Impact on Transitional period	119.27		119.27
Deferred Tax Asset			
Ind As Impact for current period	(38.80)	<b>(164.64)</b>	(203.44)
Adjustment on account of application of AS-15	(60.06)	<b>6.33</b>	(53.73)
<b>TOTAL</b>	<b>8,455.76</b>	<b>(1,000.61)</b>	<b>7,455.14</b>

(₹ In Lakhs)		
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 15 "SHORT TERM BORROWINGS"</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
(Including ₹ Nil Lakhs (Previous year ₹ 8,121.86 Lakhs) in foreign currency)		
(The working capital loans / Packing Credit from Banks., are secured against hypothecation of present and future stock in trade and Book Debts )		
(Of the above ₹ Nil (Previous year Nil) are further Guaranteed personally by the Promoter Directors.)		
From Banks	<b>71,817.92</b>	62,330.53
<b>Unsecured</b>		
From Others	<b>2,888.08</b>	4,834.80
<b>TOTAL</b>	<b>74,706.01</b>	<b>67,165.33</b>

(₹ In Lakhs)		
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 16 A"OTHER CURRENT FINANCIAL LIABILITIES"</b>		
Current Maturities of Long-term debt	<b>21,232.26</b>	10,949.41
Intersest Payables on Term Loan & Debentures	<b>5,217.74</b>	378.16
<b>TOTAL</b>	<b>26,450.00</b>	<b>11,327.57</b>



	(₹ In Lakhs)	
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 16 B "OTHER CURRENT LIABILITIES"</b>		
Deposits/Advances from Dealers, Agent etc.	254.13	228.25
Statutory Dues	125.71	209.75
Advance against Sales	98.11	1,739.21
Salary Payable	527.20	805.29
Other Payables	60.17	184.14
<b>TOTAL</b>	<b>1,065.32</b>	<b>3,166.64</b>

	(₹ In Lakhs)	
	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE 17 "SHORT TERM PROVISIONS"</b>		
Provision for employee benefits	72.00	74.73
Provision for Income Tax	4,253.98	5,340.87
<b>TOTAL</b>	<b>4,325.98</b>	<b>5,415.59</b>

	(₹ In Lakhs)	
	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>NOTE 18 "REVENUE FROM OPERATIONS"</b>		
<b>Sale of Products</b>		
1) Local Sales	24,066.68	1,35,470.42
2) Export Sales	21,502.03	23,817.99
<b>Sale of Services</b>		
1) Processing & Services Charges	4,044.49	3,243.65
2) Duty Drawbacks & Other Export Entitlements	2,057.97	2,128.55
	<b>51,671.16</b>	<b>1,64,660.61</b>

	(₹ In Lakhs)	
	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>Details of Sales of Products:</b>		
Class of Goods		
Local		
Fabrics	23,374.24	1,32,979.02
Garments	621.86	2,474.03
Yarn	70.58	17.37
<b>(A) TOTAL</b>	<b>24,066.68</b>	<b>1,35,470.42</b>
Exports		
Fabrics	7,825.31	7,914.99
Garments	13,676.71	15,903.00
<b>(B) TOTAL</b>	<b>21,502.03</b>	<b>23,817.99</b>

	(₹ In Lakhs)	
	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>NOTE 19 "OTHER INCOME"</b>		
Interest Income	205.05	281.15
Foreign Exchange Fluctuation	(284.49)	953.40
Profit / (Loss) on Sale of Assets	222.78	(76.23)
Miscellaneous Income	212.18	185.21
	<b>355.52</b>	1,343.53

	(₹ In Lakhs)	
	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>NOTE 20 "COST OF MATERIAL CONSUMED"</b>		
Opening Stock	13,008.39	11,358.48
Purchases	31,107.81	74,496.80
	<b>44,116.20</b>	85,855.27
Less: Closing Stock	2,659.62	13,008.39
<b>TOTAL</b>	<b>41,456.57</b>	72,846.89

	(₹ In Lakhs)			
	For Y. E. 31.03.2017	% age	For Y. E. 31.03.2016	% age
<b>Imported and Indigenous Raw Materials Consumed</b>				
Imported	125.54	0.30%	367.81	0.50%
Indigenous	41,331.03	99.70%	72,479.08	99.50%
	<b>41,456.57</b>	<b>100.00%</b>	72,846.89	100.00%

	(₹ In Lakhs)	
	For Y. E. 31.03.2017	For Y. E. 31.03.2016
<b>Details of Raw Materials Consumed</b>		
Class of Goods		
Fabric	34,413.47	57,504.08
Yarn	7,043.10	15,342.81
<b>TOTAL</b>	<b>41,456.57</b>	72,846.89



(₹ In Lakhs)

	<b>For Year Ended 31.03.2017</b>	For Year Ended 31.03.2016
<b>NOTE 21 "PURCHASE OF STOCK IN TRADE"</b>		
Fabrics	<b>16,252.25</b>	35,506.65
Garments	<b>298.39</b>	205.95
	<b>16,550.64</b>	35,712.60

(₹ In Lakhs)

	<b>For Year Ended 31.03.2017</b>	For Year Ended 31.03.2016
<b>NOTE 22 "CHANGES IN INVENTORIES OF FINISHED GOOD WORK-IN-PROGRESS AND STOCK-IN-TRADE"</b>		
<b>Opening Stock</b>		
Finished Goods	<b>37,792.83</b>	39,164.11
Work-in-Progress	<b>2,143.39</b>	1,580.25
<b>Total</b>	<b>39,936.22</b>	40,744.36
<b>Closing Stock</b>		
Finished Goods	<b>12,575.39</b>	37,792.83
Work-in-Progress	<b>2,787.06</b>	2,143.39
<b>Total</b>	<b>15,362.45</b>	39,936.22
<b>Total Increase/(Decrease) in Stock</b>	<b>(24,573.77)</b>	(808.14)



(₹ In Lakhs)

	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>NOTE 23 "MANUFACTURING AND OPERATING COSTS"</b>		
Consumption of Auxilliary Materials	5,286.66	6,681.68
Packing Materials	377.30	630.73
Garment Stitching Charges	1,344.40	1,871.72
General Factory Expenses	40.62	55.72
Labour Charges	511.64	644.05
Power, fuel and water charges	4,203.37	5,611.28
Repair and Maintenance to machinery	92.14	102.24
Testing & Inspection Fees	112.11	141.54
Yarn Winding,Sizing & Weaving Charges	118.70	308.33
<b>TOTAL</b>	<b>12,086.94</b>	<b>16,047.28</b>

**Imported and Indigenous Auxiliary Materials Consumed**

(₹ In Lakhs)

Particulars	For Year Ended 31.03.2017		For Year Ended 31.03.2016	
Imported	316.46	5.99%	253.12	3.79%
Indigenous	4,970.20	94.01%	6,428.56	96.21%
	<b>5,286.66</b>	<b>100.00%</b>	<b>6,681.68</b>	<b>100.00%</b>

(₹ In Lakhs)

	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>NOTE 24 "EMPLOYEE BENEFIT EXPENSES "</b>		
Salary & Wages (inclusive of Bonus, Gratuity & other Allowances)	7,933.91	9,106.16
Contribution to P.F, ESIC, etc	790.61	877.26
Employee's Welfare and amenities	181.55	255.11
<b>TOTAL</b>	<b>8,906.07</b>	<b>10,238.53</b>

(₹ In Lakhs)

	For Year Ended 31.03.2017	For Year Ended 31.03.2016
<b>NOTE 25 "FINANCE COSTS"</b>		
Banks/Financial Institutions for Term Loans (Net of interest subsidy under TUF scheme)	3,288.48	2,845.83
Debenture 's Holder	783.90	1,024.51
Banks for Working Capital	8,014.17	7,034.71
Net Loss on Currency fluctuation and translation	59.96	557.69
Interst Exp Provided on account of TUF Subsidy due more than 2 Years	1,021.26	-
Others	637.29	436.41
<b>TOTAL</b>	<b>13,805.06</b>	<b>11,899.14</b>



(₹ In Lakhs)

	<b>For Year Ended 31.03.2017</b>	For Year Ended 31.03.2016
<b>NOTE 26 "OTHER EXPENSES"</b>		
Auditor's Remuneration	<b>9.20</b>	13.66
Bank Charges & Commission	<b>300.12</b>	335.29
Commission on Sales	<b>332.53</b>	436.15
Communication Expenses	<b>50.68</b>	52.34
Courier Charges	<b>121.38</b>	138.01
Director's Remuneration & Sitting Fees	<b>138.31</b>	498.75
Donations	<b>2.88</b>	105.37
Electricity Charges	<b>38.94</b>	37.71
Freight / Transportation (Net)	<b>1,065.09</b>	1,226.38
General Office Expenses	<b>71.47</b>	84.08
Insurance (Net)	<b>75.02</b>	76.61
Land Premium W/off	-	15.14
Legal & Licence Fees	<b>153.18</b>	53.69
Printing & Stationary Charges	<b>49.92</b>	59.32
Repair & maintenance	<b>69.04</b>	55.77
Professional Fees	<b>366.28</b>	284.75
Rent & Municipal Taxes	<b>621.95</b>	624.19
Octroi, Rates & Taxes	<b>36.53</b>	60.18
Advertisement & Sales Promotion Expenses	<b>44.86</b>	104.18
Travelling Expenses	<b>158.44</b>	316.26
Watch & Ward Exp.	<b>151.40</b>	111.82
Miscellaneous Expenses	<b>428.86</b>	244.44
<b>TOTAL</b>	<b>4,286.07</b>	4,934.05
Details of payments to auditors (included in Auditor's Remuneration)		
a. Statutory Audit Fees	<b>4.60</b>	10.25
b. Tax Audit Fees	<b>4.60</b>	3.42
	<b>9.20</b>	13.66

**27 Value of Imports calculated on C.I.F. basis in respect of:**

		(₹ In Lakhs)	
Particulars		F.Y. 2016-17	F.Y. 2015-16
a	Auxiliary Material, Yarn, Garment & Accessory	441.99	620.93
b	Capital Goods	138.48	27.43

**28 Expenditure in Foreign Currency on account of:**

		(₹ In Lakhs)	
Particulars		F.Y. 2016-17	F.Y. 2015-16
a	Export Sales Commission	270.97	182.80
b	Interest	83.31	468.52
c	Foreign Travelling	34.51	95.28
d	Others	71.91	144.35

**29 Earnings in Foreign Currency on account of:**

		(₹ In Lakhs)	
Particulars		F.Y. 2016-17	F.Y. 2015-16
Export of Goods calculated on FOB Value		21,502.03	23,817.99

**30** A. No interest is paid / payable during the year to any enterprise registered under the MSME.

B. The quantum of dues to small scale industrial undertakings is not determined.

**31** Balances of Debtors, Creditors and Loans & Advances have been as per books, and are subject to confirmation and are under reconciliation / arbitration.

(i) One debtor amounting of ₹ 30501.29 lacs is considered as doubtful of recovery but this amount have not been provided in the accounts for the year.

Though Company is under negotiation to recover the amount to the maximum possible.

(ii) Also an amount of ₹ 7183.42 lacs has been given as advance to a vendor is under negotiation for recovery, the probability of recovery is very low.

Though Company is under negotiation to recover the amount or purchase the goods.

**32 Disclosures in respect of derivative instruments.**

(a) Derivatives instruments outstanding.

		(₹ In Lakhs)			
Sr. No.	PARTICULARS	CURRENCY	FORWARD AMOUNT F.Y. 2016-2017	FORWARD AMOUNT F.Y. 2015-2016	TYPE OF CONTRACT
1	Against Exports	USD /INR	NIL	USD 117.20	Sale
		EUR/USD	NIL	EUR 2.00	Sale
		EUR/INR	NIL	EUR 6.00	Sale

(b) All derivative and financial instruments acquired by the company are for hedging purpose only.

(c) Foreign currency exposures that are not hedged by derivative instruments:

		(₹ In Lakhs)		
Particulars	Currency	F.Y. 2016-2017	F.Y. 2015-2016	
Secured Loans	USD	Nil	128.76	
Secured Loans	EURO	Nil	2.03	



**33 Related Party Disclosures**

**1. Relationship :-**

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
Mr. 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 Industries Pvt. Ltd. The Mandhana Retail Vanture limited
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**2. Transactions with related parties :**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>Referred in 1(a) Above</b>	<b>Referred in 1(b) Above</b>
<b>Purchases :</b>		
Fabrics & Garments		Nil (1.52)
<b>Sales :</b>		
Fabrics & processing chgs.		239.34 (2,528.48)
<b>Expenses :</b>		
Directors Remuneration & Perquisites	<b>132.11</b>	
	<b>(480.00)</b>	
Salary to Relatives of Directors	<b>14.73</b>	
	<b>(29.47)</b>	
Rent To Directors & Relatives of Directors	<b>98.85</b>	
	<b>(53.08)</b>	
<b>Deposits against premises:</b>	<b>2.00</b>	
	<b>(2,000.00)</b>	
<b>Outstanding :</b>		
Advances	-	-
		453.27 (478.82)

Note:- Figures in brackets represents previous years figure.

**34 OPERATING LEASE**

The Company has entered in to non-cancelable operating lease. The tenure of such agreements ranges from eleven months to one hundred eight 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.

(₹ in Lakhs)

DUE	TOTAL MINIMUM LEASE PAYMENTS OUTSTANDING	
	AS AT 31 <sup>ST</sup> MARCH, 2017	AS AT 31 <sup>ST</sup> MARCH, 2016
Not later than one year	517.49	466.79
Later than one year and not later than five year'	337.45	842.53
later than five year	-	-
Total	854.94	1309.32
Operating lease rentals debited to profit and loss accounts (net)	440.52	474.52
Operating lease capitalized to Fixed Assets	NIL	NIL

**35 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 disclosures 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	F.Y. 2016-17	F.Y. 2015-16
Provident Fund	665.22	730.92

(₹ In Lakhs)

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

**B) State Plans**

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

Particulars	F.Y. 2016-17	F.Y. 2015-16
Employee's State Insurance	123.78	144.26

(₹ In Lakhs)

**C) Defined Benefit Plans****Contribution to Gratuity Funds:**

During the year under review company has made provision for gratuity plan for all its eligible employees based on actuarial valuation certified by the actuary as on 31-03-2017. Company has already framed Gratuity scheme through trust fund managed by LIC for certain class of employees and for other employees provisions has been made in the books and fund for the same shall be set up in due course of time.



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

(₹ In Lakhs)

Particulars	March 31,2017			March 31,2016		
	Funded	Unfunded	Total	Funded	Unfunded	Total
<b>Components of employer expenses</b>						
1) Current Service Cost	6.42	68.31	74.73	9.28	54.64	63.92
2) Interest Cost	6.49	15.46	21.96	-	19.97	19.97
3) Expected Return on Plan Assets	(5.76)	-	(5.76)	(11.60)	-	(11.60)
4) Net Actuarial (Gain) /Loss	76.26	(179.65)	(103.39)	1.13	(55.55)	(54.42)
5) Total expense/(Gain) recognized in the Profit and Loss Account	83.41	(95.87)	(12.47)	(1.18)	19.05	17.87
<b>Net Assets /Liability recognised in Balance Sheet</b>						
1) Present Value of Defined benefit obligation	(84.34)	(122.85)	(207.19)	(105.36)	(194.55)	(299.91)
2) Fair Value of plan assets	51.95	-	51.95	123.22	-	123.22
3) Assets/ (Liability) recognized in Balance Sheet.	(32.39)	(122.85)	(155.24)	17.86	(194.55)	(176.70)
<b>Change in Present Value of the Defined Benefit Obligation</b>						
1) Opening Present Value of obligation	81.19	218.73	299.91	103.20	175.50	278.70
2) Interest Cost	6.49	15.46	21.96	-	19.97	19.97
3) Current Service Cost	6.42	68.31	74.73	9.28	54.64	63.92
4) Benefits Paid	(86.02)	-	(86.02)	(7.13)	-	(7.13)
5) Actuarial (Gain) /Loss	76.26	(179.65)	(103.39)	-	(55.55)	(55.55)
6) Closing Present Value of obligation.	84.34	122.85	207.19	105.36	194.55	299.91
<b>Change in the fair value of plan Assets</b>						
1) Opening Value of plan assets	123.22	-	123.22	119.86	-	119.86
2) Expected return on plan Assets	5.76	-	5.76	11.60	-	11.60
3) Actual Company Contribution	8.99	-	8.99	-	-	-
4) Benefits Paid	0.02	-	0.02	(1.11)	-	(1.11)
5) Actuarial (Gain) /Loss	(86.02)	-	(86.02)	(7.13)	-	(7.13)
5) Closing Fair Value of plan assets	51.97	-	51.97	123.22	-	123.22
<b>Actuarial Assumption</b>						
Discount rate (per annum)	8.00%	7.25%		8.00%	7.93%	
Expected rate of return on assets (per annum)	8.00%	7.25%		8.00%	7.93%	
Salary escalation rate*	4.00%	5.10%		4.00%	5.10%	
Mortality Rate	LIC (1994-96) Ultimate	Indian Assured lives mortality (2006-08)		LIC (1994-96) Ultimate	Indian Assured Lives mortality (2006-08)	
Withdrawal Rate	1 %-3 % depending on age	1 %-5 % depending on age		1 %-3 % depending on age	1 %-5 % depending on age	

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

**36 Segmental reporting for the year ended on 31<sup>st</sup> March, 2017 is as under.****(A) On the basis of Business Segments –**

(₹ In Lakhs)

Particulars	F.Y. 2016-2017			F.Y. 2015-2016		
	Textiles	Garment	Total	Textiles	Garment	Total
External Revenues	31,326.72	14,241.98	45,568.71	1,40,986.63	18,301.78	1,59,288.41
Internal Segment Revenues	-	-	-	-	-	-
Other Allocable Income	3,446.97	2,655.49	6,102.46	2,754.33	2,617.87	5,372.20
<b>Total Revenues</b>	<b>34,773.70</b>	<b>16,897.47</b>	<b>51,671.16</b>	1,43,740.96	20,919.65	1,64,660.61
Less: Elimination	-	-	-	-	-	-
<b>Net Revenue</b>	<b>34,773.70</b>	<b>16,897.47</b>	<b>51,671.16</b>	1,43,740.96	20,919.65	1,64,660.61
<b>SEGMENT RESULT</b>	<b>(55,415.58)</b>	<b>(5,980.76)</b>	<b>(61,396.34)</b>	15,953.08	4,106.43	20,059.51
Other Income			355.52			1,343.53
Interest Cost			13,805.06			11,899.14
Provision for Taxes			(1,997.76)			3,469.47
<b>NET PROFIT/ (LOSS)</b>			<b>(72,848.13)</b>			6,034.43
<b>OTHER INFORMATION</b>						
Segment Assets	1,15,488.97	19,508.79	1,34,997.76	1,74,986.52	24,263.91	1,99,250.43
Unallocable Corporate Assets			0.25			0.25
<b>TOTAL ASSETS</b>			<b>1,34,998.01</b>			1,99,250.68
Segment Liabilities	1,11,803.81	6,605.67	1,18,409.48	93,453.80	11,489.50	1,04,943.30
Unallocable Liabilities			11,864.36			16,833.22
<b>TOTAL LIABILITIES</b>			<b>1,30,273.84</b>			1,21,776.52
<b>CAPITAL EXPENDITURE</b>						
Segment Capital Expenditure	245.08	78.58	323.66	1,514.37	374.30	1,888.67
Unallocated Capital Expenses			-			-
<b>TOTAL CAPITAL EXP.</b>			<b>323.66</b>			1,888.67
<b>DEPRECIATION &amp; AMORTISATION</b>						
Segment Dep. & Amort.	3,283.02	1,924.44	5,207.46	3,233.22	780.38	4,013.60
Unallocated Dep. & Amort.			-			-
<b>TOTAL DEPRECIATION &amp; AMORTISATION</b>			<b>5,207.46</b>			4,013.60

**(B) ON THE BASIS OF GEOGRAPHICAL SEGMENTS -**

(₹ In Lakhs)

Particulars	F.Y. 2016-2017			F.Y. 2015-2016		
	Textiles	Garment	Total	Textiles	Garment	Total
	<b>Domestic</b>	<b>Exports</b>	<b>Total</b>	Domestic	Exports	Total
Segment Revenues	28,111.17	23,559.99	51,671.16	1,38,714.07	25,946.54	1,64,660.61
Internal Segment Revenues						
<b>Total Revenues</b>	<b>28,111.17</b>	<b>23,559.99</b>	<b>51,671.16</b>	1,38,714.07	25,946.54	1,64,660.61
Less : Elimination						
<b>NET REVENUES</b>	<b>28,111.17</b>	<b>23,559.99</b>	<b>51,671.16</b>	1,38,714.07	25,946.54	1,64,660.61
<b>Segment Result</b>	<b>(55,921.32)</b>	<b>(5,475.02)</b>	<b>(61,396.34)</b>	14,226.96	5,832.55	20,059.51
Carrying Cost of segment assets	1,13,622.72	21,375.03	1,34,997.76	1,59,513.86	39,736.57	1,99,250.43
Addition to Fixed Assets	245.08	78.58	323.66	929.29	959.38	1,888.67



**(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.

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

**37. Reconciliation of Balance Sheet as at 1<sup>st</sup> April 2015 & 31<sup>st</sup> March,2016**

Particulars	AS AT 1 <sup>ST</sup> APRIL,2015			AS AT 31 <sup>ST</sup> MARCH,2016		
	IGAAP	IND AS	CHANGE	IGAAP	IND AS	CHANGE
(₹ In Lakhs)						
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
(a) Property, Plant and Equipment	54,919.22	70,722.64	(15,803.42)	52,670.40	68,473.82	(15,803.42)
(b) Intangible assets	35.60	35.60	-	5.54	5.54	-
(c) Financial Assets						
(i) Other Financial Assets	2,223.26	1,923.23	300.03	2,271.82	2,127.15	144.67
(d) Other non-current assets	1,144.64	1,144.64	-	960.00	960.00	-
<b>Sub-Total - Non-Current Assets</b>	<b>58,322.72</b>	<b>73,826.11</b>	<b>(15,503.39)</b>	55,907.76	71,566.51	(15,658.75)
<b>Current Assets</b>						
(a) Inventories	53,213.21	53,213.21	-	54,243.85	54,243.85	-
(b) Financial Assets						
(i) Trade Receivables	40,836.88	40,836.88	-	52,918.54	52,918.54	-
(ii) Cash and cash equivalents	1,160.47	1,160.47	-	1,143.55	1,143.55	-
(iii) Current Investments	0.25	0.25	-	0.25	0.25	-
(iv) Short term Loans and Advances	8,442.14	8,442.14	-	15,138.51	15,138.51	-
(c) Other Current Assets	3,140.07	3,158.94	(18.87)	3,893.41	4,239.47	(346.06)
<b>Sub-Total - Current Assets</b>	<b>1,06,793.02</b>	<b>1,06,811.89</b>	<b>(18.87)</b>	1,27,338.11	1,27,684.17	(346.06)
<b>TOTAL ASSETS</b>	<b>1,65,115.74</b>	<b>1,80,638.00</b>	<b>(15,522.26)</b>	1,83,245.87	1,99,250.68	(16,004.81)
<b>EQUITIES AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	3,312.39	3,312.39	-	3,312.39	3,312.39	-
(b) Other Equity	52,139.76	68,868.75	16,728.99	57,055.40	74,161.77	(17,106.37)
<b>Sub-Total-Equity</b>	<b>55,452.15</b>	<b>72,181.14</b>	<b>(16,728.99)</b>	60,367.79	77,474.16	(17,106.37)
<b>Non-Current Liabilities</b>						
(a) Financial liabilities						
(i) Long term Borrowings	25,275.82	24,826.90	448.92	22,463.99	22,185.00	278.99
(ii) Other Financial Liabilities	26.75	26.75	-	49.04	49.04	-
(b) Long Term Provisions	95.50	95.50	-	101.97	101.97	-
(c) Deferred Tax Liabilities (Net)	8,154.36	8,273.63	(119.27)	8,375.29	8,455.74	(80.45)
<b>Sub-Total-Non-Current Liabilities</b>	<b>33,552.43</b>	<b>33,222.78</b>	<b>329.65</b>	30,990.29	30,791.75	198.54



(₹ In Lakhs)

Particulars	AS AT 1 <sup>ST</sup> APRIL, 2015			AS AT 31 <sup>ST</sup> MARCH, 2016		
	IGAAP	IND AS	CHANGE	IGAAP	IND AS	CHANGE
<b>Current Liabilities</b>						
(a) Financial liabilities						
(i) Short Term Borrowings	50,508.72	50,508.72	-	67,165.33	67,165.33	-
(ii) Trade Payables	9,401.42	9,401.42	-	3,909.64	3,909.64	-
(iii) Other Current Financial Liabilities	11,901.49	11,901.49	-	11,327.57	11,327.57	-
(b) Other Current Liabilities	1,045.15	965.44	79.71	3,272.31	3,166.64	105.67
(c) Short Term Provisions	3,254.39	2,457.02	797.37	6,212.95	5,415.59	797.36
<b>Sub-Total-Current Liabilities</b>	<b>76,111.17</b>	<b>75,234.09</b>	<b>877.08</b>	<b>91,887.80</b>	<b>90,984.77</b>	<b>903.03</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,65,115.74</b>	<b>1,80,638.00</b>	<b>(15,522.26)</b>	<b>1,83,245.87</b>	<b>1,99,250.68</b>	<b>(16,004.81)</b>

**Reconciliation of equity**

(₹ In Lakhs)

Particulars	Note no	As at 01-April-15	As at 31-March-16
<b>Other Equity as per Previous Indian GAAP</b>		<b>52,139.76</b>	57,055.40
Ind As Impact of Effective Cost of Borrowing	i	<b>448.92</b>	278.99
Ind As Impact of Unwinding of discount on security deposits	ii	<b>635.33</b>	790.69
Ind As Impact of Amortization of Prepaid Rent		<b>(688.77)</b>	(820.98)
Foreign Exchange Fluctuation impact	iii	<b>(148.02)</b>	337.35
Deferred Tax	iv	<b>(119.27)</b>	(80.47)
Revaluation Reserve	vi	<b>15,803.42</b>	15,803.42
Reversal of Proposed Dividend for FY 15-16		<b>797.37</b>	797.37
Total impact of Ind AS		<b>16,728.98</b>	17,106.37
<b>Other Equity as per Ind AS</b>		<b>68,868.74</b>	74,161.77

**Reconciliation of profit and loss for the year ended 31 March 2016**

(₹ In Lakhs)

Particulars	Note No.	FY 15-16
<b>Net Profit as per Previous Indian GAAP</b>		<b>5,712.99</b>
Ind As Impact of Effective Cost of Borrowing	i	<b>(169.93)</b>
Ind As Impact of Unwinding of discount on security deposits	ii	<b>155.36</b>
Ind As Impact of Amortization of Prepaid Rent		<b>(132.21)</b>
Foreign Exchange Fluctuation impact	iii	<b>485.37</b>
Deferred Tax	iv	<b>38.82</b>
Total		<b>377.41</b>
<b>Net Profit as per Ind AS</b>		<b>6,090.40</b>



**Reconciliation of cash flow for the year ended 31<sup>st</sup> March 2016**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016 (IGAAP)	As at 31 <sup>st</sup> March 2016 (IND AS)	Change
Cash flow from operating activities	5,911.67	6,067.04	(155.37)
Cash flow from financing activities	(4,287.15)	(4,287.15)	0.00
Cash flow from investing activities	(1,811.85)	(1,967.22)	155.37

**Carrying amount of financial assets and liabilities:**

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>Financial assets</b>			
Current Investment	0.25	0.25	0.25
Cash and cash equivalent	530.03	1,143.55	1,160.47
Trade receivables	41,693.64	52,918.54	40,836.88
Loans	7,418.91	15,138.51	8,442.14
<b>At end of the year</b>	<b>49,642.83</b>	69,200.60	50,439.49
<b>Financial liabilities</b>			
Borrowings	74,706.01	67,165.33	50,508.72
Trade payables	5,905.25	3,909.64	9,401.42
Other financial liabilities	26,450.00	11,327.57	11,901.49
<b>At end of the year</b>	<b>1,07,061.26</b>	82,402.54	71,811.63

**Note forming part of Balance Sheet and Profit and Loss Account**

**(i) Interest on Borrowings/Debentures:-**

Loan Processing fees/transaction cost, the same cost under Ind-As 23 are considered for calculation effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss Account.

**(ii) Interest on Security Deposit/Prepaid Rent:-**

Under Indian GAAP, Lease Security Deposits (which are refundable in the nature on the completion of the lease term) are recorded at the transaction value. As per Ind AS 109, Financial Instruments, all financial assets and liabilities are required to be recognized at fair value. Since lease security deposits are refundable, these would generally meet the definition of Financial Asset under Ind AS 109. As the Security Deposits are interest free, the difference between the deposit amount and the fair value would then be recognized in the statement of Profit and Loss on straight line basis over the lease term.

**(iii) Foreign Exchange:-**

Premium or discount and MTM (Mark to Mark) loss recognized as per the IGAAP in the Profit and Loss account have been reversed. MTM on forward contracts have been recognized in statement of Profit and Loss account with recognition of Financial Asset or Liabilities in the Balance Sheet.

**(iv) Deferred Tax:-**

The impact of transition adjustments together with Ind – As 12 mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss Account for the subsequent periods.

**(v) Employee Benefit/ Other Comprehensive Income:-**

Employee Benefit/ Other Comprehensive Income:- Both under IGAAP and Ind AS, the Company recognized costs related to its post-employment defined plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Profit or Loss Accounts. Under Ind AS, remeasurements are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Accordingly, the amount of actuarial gain is ₹ 55.97 Lakhs reduced from the amount of employee benefit expenses.

**(vi) Fair Valuation as Deemed Cost for Land:-**

As required by Ind AS -101 the company has option to take deemed cost of Property, Plant & Equipment either at carrying value or fair value. On transition to Ind AS, the company has elected to continue with the carrying value of its property, plant & equipment except Land recognised as at 1 April, 2015 measured as per previous GAAP. The company has considered fair value for such land admeasuring over 158,649 sq Mt. , situated in Tarapur and Baramati, resulting in impact of ₹ 15,208.41 lakhs in accordance with stipulations of Ind-AS 101 with the resultant impact being accounted for in the reserve.

**(vii) Attributing time value of money to Assets Retirement Obligation:-**

Under Ind-As, such obligation is recognized and measured at present value. Under pervious Indian GAAP it was recorded at cost. The impact for the periods subsequent to the date of transition is reflected in the profit and Loss Account.

**(viii) Demerger of Retail Division Business:-** A Scheme of Arrangement between Mandhana Industries Limited (“MIL/ Demerged Company”) and Mandhana Retail Ventures Limited (“MRVL/Resulting Company”) and their respective shareholders and creditors, pursuant to which the Retail Division of MIL has been demerged and transferred into MRVL. The Appointed date of the said arrangement was April 1, 2014 though approval from the Hon’ble High Court of Judicature at Bombay had received on March 29, 2016. The company has not considered the impact of Ind AS 103 “Business Combinations” as the transaction happened prior to transition date i.e. April 1, 2016 and accordingly the financial numbers of 2014-15 and 2015-16 of the demerged entity (MIL) have been considered while working out Ind AS adjustments.

**38 Contingent Liabilities not provided for in respect of:**

- a) Export invoices backed by letter of credit purchased by the bank amounting to ₹ 1001.90 Lakhs(Previous year ₹1003.54Lakhs)
- b) Sales invoices Discounted with the bank amounting to ₹ 28.55 Lakhs. (Previous Year ₹ 27.63 Lakhs)
- c) Claim against the Company not acknowledged as debts in respect of disputed Income Tax demand amounting to ₹ NIL  
(Previous Year NIL) (Interest thereon not ascertainable at present.)
- d) Claim against the Company not acknowledged as debts in respect of Central Excise dues amounting to ₹ 290.58 Lakhs.  
(Previous Year ₹ 290.58 Lakhs) (Interest thereon not ascertainable at present.)
- e) Bank guarantee given to Sales Tax , MSEB & Custom Department of ₹ 382.15 Lakhs. (Previous Year ₹ 382.15 Lakhs)



**39 CAPITAL COMMITMENTS:**

The estimated amount of contracts remaining to be executed on capital account to the extent not provided for ₹ NIL.  
(Previous year ₹ NIL )

**40** Significant accounting policies and practices adopted by the Company, are disclosed in the statement annexed to these financial statements as Annexure I.

**41** The cost of material consumed and change in inventories includes a write off of ₹ 50135.07 lacs on account of old nonmoving /slow moving stock obsolescence has been part of the closing stock for FY 2015 & FY 2016. Since the said stock has been liquidated in second and Third quarter of the year, at a value which is significantly lower than the book value, there are reasons to believe that the valuation as reflected in FY 2015 & FY 2016 could have been presented at cost instead of Market Realisable Value. In view of the above, the Board of Directors find it prudent to refer the matter to the National Company Law Tribunal (NCLT) and seek revision of Financial Statements for FY 2015 & FY 2016 under Section 131 "Voluntary revision of financial statements or Board's Report" of Companies Act, 2013.

The above results including those of FY 2015 and FY 2016 may undergo change consequent to the order passed by National Company Law Tribunal (NCLT) pursuant to our application.

## ANNEXURE I

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(annexed to and forming part of the financial statements for the year ended 31<sup>st</sup> March, 2017)

#### A. BASIS OF ACCOUNTING

These financial statements, for the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 are prepared in accordance with Ind AS. For periods up to and including the year ended 31<sup>st</sup> March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March 2017, together with the comparative period data as at and for the year ended 31<sup>st</sup> March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1<sup>st</sup> April 2015 and the financial statements as at and for the year ended 31<sup>st</sup> March 2016.

#### B. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees which is the Company's presentation in Indian Rupees has been rounded up to the nearest Lakhs except where otherwise indicated.

#### C. FIRST TIME ADOPTION OF IND AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard has some exception and exemption to this general requirement in specific cases.

Exceptions to retrospective application of other Ind AS

##### Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

##### **Ind AS 109-Financial Instruments (Derecognition of previously recognised financial assets / financial liabilities):**

An entity shall apply the derecognition requirements in Ind AS 109 in financial instruments prospectively for transactions occurring on or after the date of transition. The Company has applied the derecognition requirements prospectively.

**Ind AS 109-Financial Instruments (Classification and measurement financial assets):** Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.



## **Exemptions from retrospective application of Ind AS**

### **Ind AS 16 Property, Plant and Equipment :**

If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.

### **Ind AS 40 Investment Property :**

If there is no change in the functional currency an entity may elect to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the date of transition.

### **Ind AS 109-Financial Instruments:**

AS 109 permits an entity to designate a financial liabilities and financial assets (meeting certain criteria ) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition. There are no financial assets or liabilities are specifically designated at FVTPL and hence, this exemption is not applicable.

## **D. USE OF ESTIMATES**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

## **E. CURRENT Vs. NON-CURRENT CLASSIFICATION**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **F. FAIR VALUE MEASUREMENT**

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

#### **G. REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **H. TAXES**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

##### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized

#### **I. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.



**J. DEPRECIATION**

The depreciation is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows :

**Tangible Assets**

<b>Assets Classification</b>	<b>Useful life assessed by management</b>
Plant And Machinery	16 -20 Years
Office & Factory Equipment's	6-8.5 years
Furniture & fixtures	11 -13.5 Years
Lease hold land	Over the period of lease term
Capital Expenditure on rented Premises	10-12 Years
Vehicles	8-10 Year
Computer & Accessories	3.5-4.5 Years

**Intangible Assets**

These are amortized as under

<b>Assets Classification</b>	<b>Useful life assessed by management</b>
Computer Software	Over the period of 5 Year

**K. BORROWING COST**

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

**L. CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

**M. IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

**N. PROVISIONS**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised



as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

## **O. FINANCIAL INSTRUMENTS**

Initial recognition

The company recognise the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition of issue of financial asset and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

### **Subsequent measurement**

#### **Non derivative financial instruments**

##### **Financial Assets at amortised cost**

A financial assets is measured at the amortised cost if both the following conditions are met :

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

##### **Financial Assets at Fair Value through Profit or Loss/Other comprehensive income**

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

#### **Financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

##### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

##### **Trade & other payable**

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **Derivative financial instruments**

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company have taken all the forward contract from the bank.



## **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **P. CASH AND CASH EQUIVALENTS**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

## **Q. INVENTORIES**

- Finished goods are valued at cost or net realizable value, whichever is lower
- Work in progress valued at cost. Cost comprises all cost of materials, cost of conversion and any other cost incurred in the production process
- Raw materials for weaving, shirting and fabric division is valued at cost following FIFO 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 realizable value.
- Sample fabric purchases are charged to profit and loss account in the year of purchase

## **R. EMPLOYEE BENEFITS**

### **Defined Contribution Plan:**

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

### **Defined Benefit Plan:**

Company's Liabilities towards defined benefit scheme is determined using the project unit credit method. Actuarial valuation under projected unit credit method is carried out at balance sheet date. Actuarial gains/losses are recognized in Profit & Loss Account in the period of occurrence of such gains & losses. Gratuity scheme for certain class of employees is administered through trust and the trust funds are managed under the employee gratuity scheme of LIC.

Company does not have any policy for Leave Encashment or any other pension plans/schemes. All the unused leaves outstanding as on 31<sup>st</sup> March gets lapsed and does not get accumulated.

## **S. 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.

## **T. EARNINGS PER SHARE**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.



## Mandhana Industries Limited

CIN: L17120MH1984PLC033553

**Registered Office:** Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, Dist. Palghar- 401506

**Tel:** +91-2525-605 704/05/06 • **Fax:** +91 22 43539358 • **E-mail:** cs@mandhana.com

**Website:** www.mandhana.com

### Form No. MGT -11

#### PROXY FORM

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

Name of the member (s)	
Registered address	
E-mail Id	
Folio No. / DP ID and Client Id	

I/We, being the member (s) of .....Shares of the above named company, hereby appoint:

1.	Name:	Email ID :
	Address:	Signature :

or failing him/her

2.	Name:	Email ID :
	Address:	Signature :

or failing him /her

3.	Name:	Email ID :
	Address:	Signature :

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **33<sup>rd</sup> Annual General**

**Meeting** of the Company, to be held on the on Wednesday, the 20<sup>th</sup> day of September, 2017 at 10.30 a.m. at Plot No. C-2, MIDC, Tarapur Industrial Area, Boisar, Palghar – 401 506 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Ordinary resolution for adopting the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017 and the Reports of the Directors and Auditors thereon, subject to such modifications and amendments as the National Company Law Tribunal may direct, pursuant to an application made by the Company for revision of financial statements (along with the Directors Report) for the financial year 2014-15 and financial year 2015-16		
2.	Ordinary resolution for appointment of a Director in place of Mr. Purushottam C. Mandhana, (DIN 00025633) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment		
3.	Ordinary resolution for ratification of appointment of M/s. KPND & Co., Chartered Accountants as the Statutory Auditors of the Company		
<b>Special Business</b>			
4.	Ordinary resolution for ratification of the appointment and remuneration of M/s. C.B Modh & Co., Cost Accountant, as the Cost Auditor for the FY 2017-18		
5.	Ordinary resolution for appointment of Mr. Jeenendra Bhandari (DIN: 00050150) as an Independent Director of the Company		
6.	Ordinary resolution for appointment of Mr. Chandrakant Shetty (DIN: 07670406) as an Independent Director of the Company		
7.	Ordinary resolution for appointment of Mr. Pandharinath Parab (DIN: 07678456) as an Independent Director of the Company		
8.	Special Resolution for rescinding changing Name of the Company.		

*\*It is optional to put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.*

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Affix Re.1 Revenue Stamp
--------------------------------

\_\_\_\_\_  
Signature of Member (s)

\_\_\_\_\_  
Signature of Proxy holder (s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, **not less than 48 hours before the commencement of the Meeting.**
2. A proxy need not be member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorization should be attached to the Proxy Form.
4. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.



## Mandhana Industries Limited

CIN: L17120MH1984PLC033553

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**Tel:** +91-2525-605 704/05/06 • **Fax:** +91 22 43539358 • **E-mail:** cs@mandhana.com

**Website:** www.mandhana.com

### ATTENDANCE SLIP

I/We, hereby record my/our presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company held on Wednesday, 20<sup>th</sup> September, 2017 at 10.30 a.m. at Plot No. C-2, MIDC, Tarapur Industrial Area, Boisar, Palghar – 401 506.

<b>Registered Folio No./DP ID &amp; Client ID*</b>	
<b>No. of Shares held</b>	
<b>Name and address of the Member</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	

\*DP ID & Client ID is applicable for members holding shares in electronic form.

<b>If Member, please sign here</b>	<b>If proxy, please mention name and sign here</b>	
	<b>Name of Proxy</b>	<b>Signature</b>

**Note:**

Shareholder/Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the AGM venue.