MANDHANA

a whirlpool of ideas!

Mandhana Industries Ltd.

DOING GOOD

28th Annual Report

2011-12

Forward Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Doing Good

A simple gesture. A miniscule effort. And there emerges the strength to empower lives and make a humane difference to the less fortunate.

Mandhana Industries Limited (MIL) is doing good. We are a textile and apparel Company, with a strong presence in 25 countries. Thriving, prospering and burgeoning. We have established a strong presence across the value chain – from back-ended yarn to front-ended retail.

By doing good, MIL is transforming lives and making the world a better place to live in. We are one of India's premier textile and garment manufacturing companies having a well-diversified client base.

Doing good does feel good too. The Company has earned an exclusive global license over the 'Being Human' apparel range. By doing good, MIL is carving a niche and integrating its operations– right from manufacturing to distribution to retailing. Even when we continue doing good, it does not deter us from being focussed. Our key focus remains constant innovation.

Doing good by doing well. Going forward, the Company strives to strengthen its key areas of apparel design and product development. Continuous upgradation of our design studios and implementation of innovative and ground-breaking techniques are the other focus areas. Doing well, with value-added design and an excellent product mix, and well poised to create the fashions of tomorrow.

Measuring progress

MANDHANA INDUSTRIES LTD. (MIL) IS A DIVERSIFIED AND MULTI-LOCATIONAL TEXTILE COMPANY WITH A DEFINED PRESENCE ACROSS INDIA AND IN OVER 25 COUNTRIES ACROSS THE GLOBE.

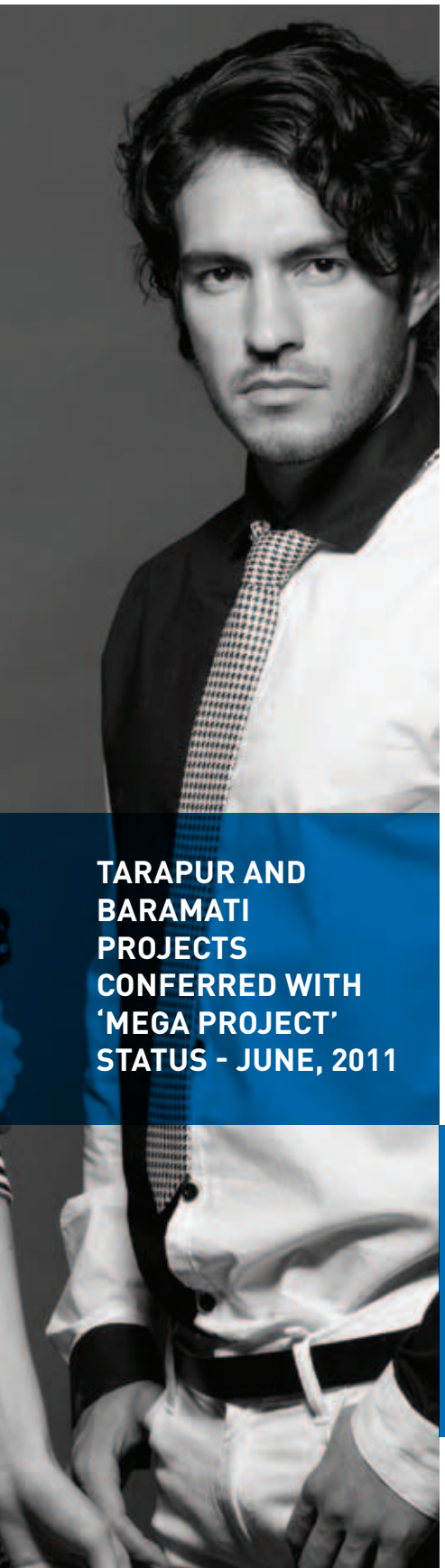
WE MANUFACTURE TEXTILES AND GARMENTS USING STATE-OF-THE-ART INFRASTRUCTURE. THE PROCESSES INCLUDE DESIGNING, YARN DYEING, WEAVING, PROCESSING, DYEING AND GARMENT MANUFACTURING.

Mandhana has always focused on acquiring greater visibility and traction through enhanced branding, retailing and social outreach programmes through exclusive and strategic alliances.

We have grown phenomenally since inception because of our superior ability to delight customers through consistent innovation.

We have integrated our operations and facilities to manufacture a wide variety of value-added fabrics and garments:

- Four textile manufacturing facilities at MIDC, Tarapur, for yarn dyeing, weaving and fabric processing; five garment manufacturing facilities at Bengaluru
- Domestic sales offices across Delhi, Bengaluru, Mumbai and Chennai



TARAPUR AND BARAMATI PROJECTS CONFERRED WITH 'MEGA PROJECT' STATUS - JUNE, 2011

DOING GOOD....THE MANDHANA WAY

- Vertically integrated operations and proven execution capabilities
- Technological, marketing and designing capabilities
- Full-fledged in-house style lab and textile studio
- Quickest turnaround time
- Diversified domestic and international customer base through strong relationships with global retailers and top fashion brands
- Extensive product basket
- Blend of young and experienced personnel
- Excellent financial track record with highest realisations compared to peers

STOCK TICKER

BSE code: 533204

NSE code: MANDHANA

ISIN: INE087J01010

Doing good... building each step

Divisions

TEXTILE SEGMENT

REVENUE:

₹ 81,016.51 Lacs

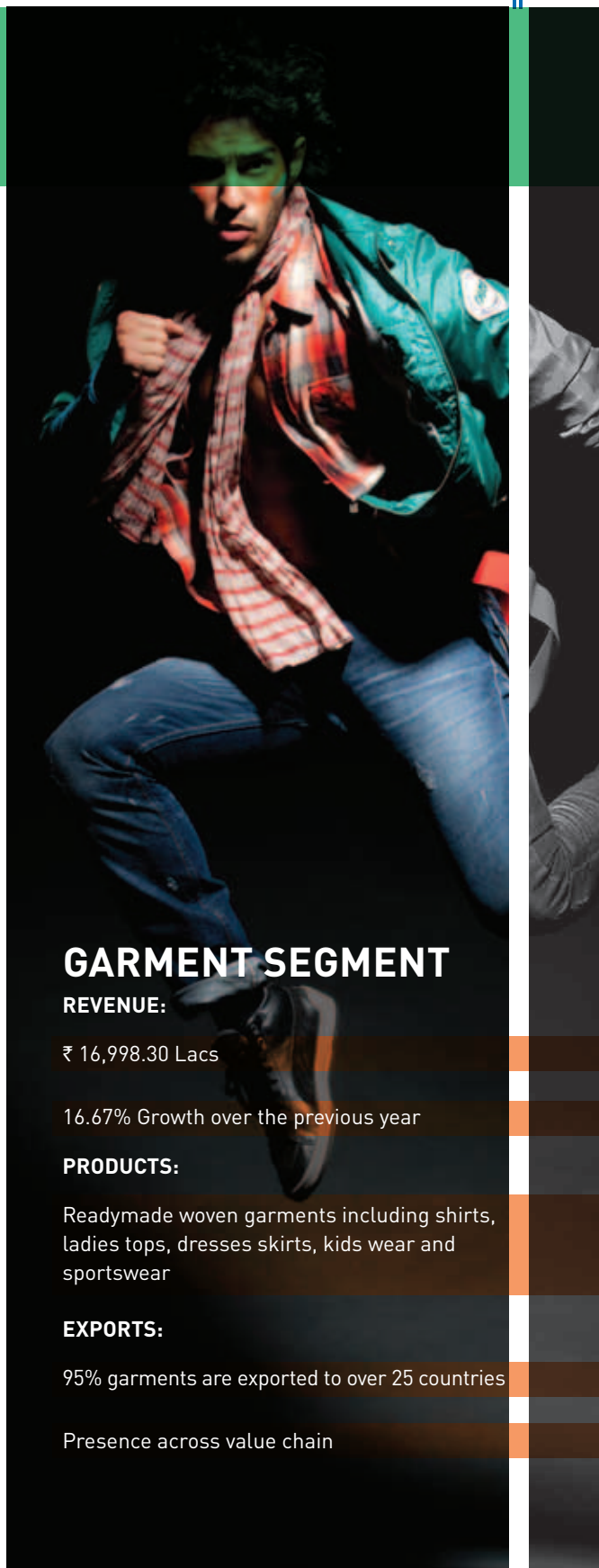
16.25% Growth over the previous year

PRODUCTS:

Greige and finished fabrics including cotton textiles, yarn dyed fabrics, embroidered, embellished and blended cotton fabrics, including cotton blends with nylon, lycra, viscose, melange etc.

IMPORTS:

MIL imports fabrics also



GARMENT SEGMENT

REVENUE:

₹ 16,998.30 Lacs

16.67% Growth over the previous year

PRODUCTS:

Readymade woven garments including shirts, ladies tops, dresses skirts, kids wear and sportswear

EXPORTS:

95% garments are exported to over 25 countries

Presence across value chain

Creditable performance... year on year

1984
Incorporation of Mandhana Industries Limited

1994
Initiated the processing unit with a capacity of **10,00,000** mtrs. p.m.

1998
Commenced **exports** of garments

2002
Set up **weaving unit** at Tarapur with a capacity of **5,00,000** mtrs. p.m.

2003
Established a garment unit at Bengaluru to produce **1,20,000 garments** p.m.

2004
Augmented weaving capacities and processing capacities with **2,00,000** mtrs. p.m. and **7,00,000** mtrs p.m., respectively, at Tarapur

2005
- Set up **'Mandhana Europe'** - its liaison office in Paris
- Set up new yarn dyeing plant and weaving plant at Tarapur with capacities of **1,50,000** kgs. p.m. and **8,00,000** mtrs. p.m., respectively

2006
Established new garment units at Bengaluru and Mumbai to manufacture additional **1,30,000 garments** p.m.

2008
Set up another garment unit at Bengaluru to roll out additional **50,000 pieces** p.m.

2009

- Commenced CDR/CBR# processing with printing with **26,00,000** mtrs. p.m. capacity
- Installed an additional capacity of **1,00,000** kgs. p.m. in the yarn dyeing unit

2010

Floated an IPO to raise **₹ 107.90 Cr**

2011

- **Tie-up** with **'Being Human'** - the Retail Brand owned by **Salman Khan**
- Doubled weaving capacity from **15,00,000** mtrs. p.m. to **30,00,000** mtrs. p.m.

mtrs. p.m. - metres per month
kgs. p.m. - kilograms per month
#Continuous Dyeing Range/Continuous Bleaching Range

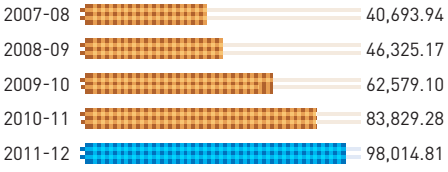
2012

Launched 'Being Human'- the apparel brand in the Middle East through a strategic tie-up with Landmark Group

Doing good... by doing well

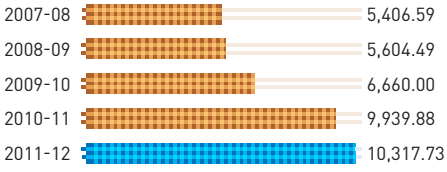
NET TURNOVER (₹ IN LACS)

24.58% CAGR



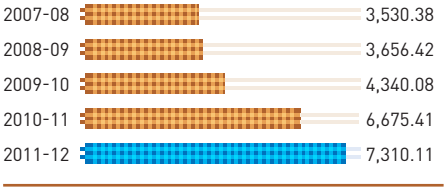
PROFIT BEFORE TAX (PBT) (₹ IN LACS)

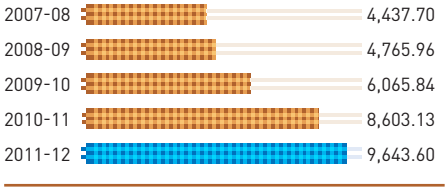
17.53% CAGR



PROFIT AFTER TAX (PAT) (₹ IN LACS)

19.96% CAGR



CASH PROFIT (₹ IN LACS)

21.41% CAGR