



MANDHANA

a whirlpool of ideas!

2015
2016

Mandhana Industries Limited

32nd Annual Report | 2015
2016



www.mandhana.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Purushottam C. Mandhana	- Chairman & Managing Director
Mr. Biharilal C. Mandhana ¹	- Executive Director
Mr. Manish B. Mandhana	- Joint Managing Director
Mr. Ghyanendra Nath Bajpai ²	- Non-Executive and Independent Director
Mr. Khurshed M. Thanawalla ³	- Non-Executive and Independent Director
Mr. Dilip G. Karnik ⁴	- Non-Executive and Independent Director
Mr. Prashant K. Asher ⁵	- Non-Executive and Independent Director
Mrs. Sangeeta M. Mandhana	- Non-Executive Director

BOARD COMMITTEES

Audit Committee

Mr. Khurshed M. Thanawalla ³	Chairman
Mr. Ghyanendra Nath Bajpai ²	Member
Mr. Dilip G. Karnik ⁴	Member
Mr. Prashant K. Asher ⁵	Member
Mr. Purushottam C. Mandhana	Member

Nomination & Remuneration Committee

Mr. Khurshed M. Thanawalla ³	Chairman
Mr. Ghyanendra Nath Bajpai ²	Member
Mr. Dilip G. Karnik ⁴	Member
Mr. Prashant K. Asher ⁵	Member

Stakeholders' Relationship Committee

Mr. Khurshed M. Thanawalla ³	Chairman
Mr. Dilip G. Karnik ⁴	Member
Mr. Manish B. Mandhana	Member

Management Committee

Mr. Purushottam C. Mandhana	Chairman
Mr. Biharilal C. Mandhana ¹	Member
Mr. Manish B. Mandhana	Member

CSR Committee

Mr. Dilip G. Karnik ⁴	Chairman
Mr. Ghyanendra Nath Bajpai ²	Member
Mr. Khurshed M. Thanawalla ³	Member
Mr. Purushottam C. Mandhana	Member

¹ Mr. Biharilal C. Mandhana ceased as Director & consequently as Member of the Committee w.e.f. 10th June, 2016

² Mr. Ghyanendra Nath Bajpai ceased as Director & consequently as Member of the Committee w.e.f. 25th June, 2016

³ Mr. Khurshed M. Thanawalla ceased as Director & consequently as Member of the Committee w.e.f. 7th September, 2016

⁴ Mr. Dilip G. Karnik ceased as Director & consequently as Member of the Committee w.e.f. 27th June, 2016

⁵ Mr. Prashant K. Asher ceased as Director & consequently as Member of the Committee w.e.f. 7th September, 2016

Mr. Vinay Sampat - Vice President - Legal & Company Secretary

Auditors

M/s Vishal H. Shah & Associates
Chartered Accountants

Internal Auditors

M/s Hinesh R. Doshi & Co.
Chartered Accountants
(For Corporate Office, Mumbai & Tarapur units)

Cost Auditors

M/s Babulal M. Parihar & Co.,
Cost Accountants

Solicitors

M/s Crawford Bayley & Co.
Advocates & Solicitors

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

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 - 401 506.
Tel : 91-2525-605704/05/06
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 : info@mandhana.com
Web: www.mandhana.com

Registrar and Share Transfer Agents

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

Branch Offices**Bengaluru**

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

New Delhi

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

Works**MANDHANA DYEING**

(A Division of Mandhana Industries Limited)

Plot No. E-25, 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 WEAVING HOUSE

(A Division of Mandhana Industries Limited)

Plot No. E-33, 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

(Garment Division)

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

MANDHANA INDUSTRIES LIMITED

(Garment Division)

B Wing, Ganpati Baug,
T. J. Road, Sewree (West)
Mumbai - 400 015.

MANDHANA INDUSTRIES LIMITED

Baramati Hi-Tech Textile Park Ltd.,
Plot No.17-20, Plot No.E-1/2,
MIDC. Industrial Area,
Baramati - 413 133.

MANDHANA INDUSTRIES LIMITED

(Garment Division)

Plot No.31, Survey No.161, Laggare Village,
Yeshwanthpura, Hobli, Bengaluru North Taluka,
Bengaluru - 560 058.

MANDHANA INDUSTRIES LIMITED

(Garment Division)

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

MANDHANA INDUSTRIES LIMITED

(Garment Division)

No.21-D, 2nd Phase,
Peenya Industrial Area,
Bengaluru - 560 058.

MANDHANA INDUSTRIES LIMITED

(Garment Division)

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

MANDHANA INDUSTRIES LIMITED

CIN: L17120MH1984PLC033553

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

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

Website: www.mandhana.com

NOTICE OF THE 32ND ANNUAL GENERAL MEETING

**To,
The Members,
Mandhana Industries Limited**

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of **Mandhana Industries Limited** will be held at the premises of the Company at Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Palghar - 401 506 on Friday, the 30th day of December 2016 at 10.00 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manish B. Mandhana, (DIN No. 00025449) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Statutory Auditors to fill the casual vacancy**

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

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any modifications or amendments thereof, for the time being in force), M/s. KPND & Co., Chartered Accountants (Firm Registration No. 133861W) be and is hereby appointed as the auditors of the Company to fill the casual vacancy caused by the resignation of M/s Vishal H. Shah & Associates, Chartered Accountants, to hold office of the auditors of the Company from the conclusion of this meeting until the conclusion of the 37th Annual General Meeting (subject to ratification of the appointment

by the Members at every Annual General Meeting) and that the Chairman and Managing Director in consultation with the Auditors, be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2017 plus applicable Service Tax and re-imbursement of travelling and out-of pocket expenses, if any, incurred by them for audit purpose."

4. **Ratification of appointment & remuneration of M/s Babulal M. Parihar & Co., Cost Accountants, as the Cost Auditors for the FY 2016-17**

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, if any, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Companies (Audit & Auditors) Rules, 2014, the appointment of M/s Babulal M. Parihar & Co., Cost Accountants, as the Cost Auditors of the Company, to audit the cost records maintained by the Company in respect of the products manufactured by the Company, which are covered under the Central Excise Tariff Act, 1985, for the Financial Year 2016-17 on a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus Service Tax as applicable, be and is hereby ratified."

5. **Adoption of new set of Articles of Association in alignment with the provisions contained under the Companies Act, 2013**

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), the approval of the Company be and

is hereby given for adoption of new set of Articles of Association in substitution for and to the entire exclusion of the extant Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution."

6. Alteration of Memorandum of Association in alignment with the provisions contained under the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being in force, and subject to the necessary approval of the Central Government, or any other statutory authority(ies), if any, required in this behalf, the approval of the Company be and is hereby given for effecting the following amendments in Clause III of the existing Memorandum of Association, dealing with the objects of the Company:-

1. The sub-heading III(B) "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS" be substituted by the new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", with existing objects appearing under sub clauses 2 to 46 thereof.
2. Under sub-clause 38 and 39 of new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", the words "Companies Act, 1956" be substituted with the words "Companies Act, 2013".
3. Sub-clauses 47 to 62 as appearing under the sub-heading III(C) i.e. "OTHER OBJECTS", be shifted under the new sub-heading III(B) i.e. "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", vide creation of new sub clauses no. 47 to 62, the sub-heading III(C) i.e. "OTHER OBJECTS", be deleted.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution."

7. Change in the Name of the Company

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

"RESOLVED THAT pursuant to provisions of Section 13 and Section 14 read with Section 4 and Section 5 of the Companies Act, 2013, read with relevant rules made there under and any other applicable provisions of the Companies Act, 2013, for the time being in force including any statutory modification or enactments made thereof from time to time and Articles of Association of the Company and subject to the approval of Stock Exchanges where shares of the Company are listed, the consent of the Members of the Company be and is hereby accorded to change the name of the Company from '**MANDHANA INDUSTRIES LIMITED**' to '**THE MANDHANA INDUSTRIES LIMITED**' or any other name as may be approved by the Registrar of Companies.

RESOLVED FURTHER THAT the name '**MANDHANA INDUSTRIES LIMITED**' wherever it occurs in the Memorandum of Association and Articles of Association of the Company be substituted by '**THE MANDHANA INDUSTRIES LIMITED**'.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorized to file requisite E-forms with the Registrar of Companies, Mumbai and to take all such steps as may be necessary and to do all such acts, deeds, matters and things, as may be necessary or incidental to give effect to the aforesaid resolution."

8. Re-appointment of Mr. Purushottam C. Mandhana as Chairman and Managing 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 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including

any statutory modification or re-enactment thereof), read with Schedule V to the Companies Act, 2013, Regulations 2(zc) and 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, provisions contained under Articles of Association of the Company, the Nomination and Remuneration Policy of the Company and subject to such permissions and consent, if any, from the Statutory Authorities, approval is hereby accorded for re-appointment of Mr. Purushottam C. Mandhana as Chairman and Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2016 on the terms and conditions set out below:-

I. Remuneration:

a) Salary:

Rs. 20,00,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to the maximum salary of Rs. 25,00,000/- per month.

b) Commission:

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Managing Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts

c) Perquisites:

(i) Medical Expenses

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for himself and family.

(ii) Leave / Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the conditions that total reimbursement shall not exceed one month's

basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two year.

(iii) Club Fee

Reimbursement of membership fee upto three clubs in India including admission and life membership fees.

(iv) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 15,000/- per annum.

(v) Contribution to Provident Fund, Superannuation and/or Annuity Fund

Company's contribution to Provident Fund and Superannuation and/or Annuity Fund not exceeding 30% of salary in aggregate in a financial year.

(vi) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(vii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(viii) Electricity Expenses

Expenses pertaining to electricity at the residence of Mr. Purushottam C. Mandhana will be borne / reimbursed by the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration mentioned hereinabove, Mr. Purushottam C. Mandhana may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide and allowed under the provisions of the law.

d) Amenities:

(i) Conveyance facilities

Company shall provide suitable conveyance facilities as may be required by Mr. Purushottam C. Mandhana and approved by the Board of Directors.

(ii) Communication facilities

Company shall provide telephone, telefax and other communication facilities at the residence of Mr. Purushottam C. Mandhana.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Minimum Remuneration:

In the event of loss or inadequacy of profits in any corporate financial year during the currency of tenure of service of Mr. Purushottam C. Mandhana, the aforesaid remuneration shall be paid as a minimum remuneration as provided under Section 197 and all other applicable provisions if any of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Purushottam C. Mandhana shall be entitled to receive the remuneration with retrospective effect from 1st April, 2016, after the same is approved by members in the ensuing General Meeting.

RESOLVED FURTHER THAT Mr. Purushottam C. Mandhana shall be entitled to be paid/reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT the draft of the Agreement of Employment, initialed by the Chairman for the purpose of identification, as placed before the Meeting, be and is hereby approved.

RESOLVED FURTHER THAT any one of the Non-Executive Directors of the Company be and is hereby authorised to sign and execute the agreement between the Company and Mr. Purushottam C. Mandhana as the Chairman and Managing Director of the Company with effect from 1st April, 2016 on the terms and conditions approved by the members at the ensuing General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the aforesaid terms and conditions as may be allowed by the law and agreeable to Mr. Purushottam C. Mandhana."

9. Re-appointment of Mr. Manish B. Mandhana as Joint Managing 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 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof), read with Schedule V to the Companies Act, 2013, Regulations 2(zc) and 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, provisions contained under Articles of Association of the Company, the Nomination and Remuneration Policy of the Company and subject to such permissions and consents, if any, from the Statutory Authorities, approval is hereby accorded for re-appointment of Mr. Manish B. Mandhana as Joint Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2016 on the terms and conditions set out below:-

I. Remuneration:**a) Salary:**

Rs. 14,00,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to the maximum salary of Rs. 18,00,000/- per month.

b) Commission:

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Managing Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts.

c) Perquisites:**(i) Medical Expenses**

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for himself and family.

(ii) Leave / Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the conditions that total reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

(iii) Club Fee

Reimbursement of membership fee upto three clubs in India including admission and life membership fees.

(iv) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 15,000/- per annum

(v) Contribution to Provident Fund, Superannuation and/or Annuity Fund

Company's contribution to Provident Fund and Superannuation and/or Annuity Fund not exceeding 30% of salary in aggregate in a financial year

(vi) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(vii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(viii) Electricity Expenses

Expenses pertaining to electricity at the residence of Mr. Manish B. Mandhana will be borne / reimbursed by the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration mentioned hereinabove, Mr. Manish B. Mandhana may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide and allowed under the provisions of the law.

d) Amenities:

(i) Conveyance facilities

Company shall provide suitable conveyance facilities as may be required by Mr. Manish B. Mandhana and approved by the Board of Directors.

(ii) Communication facilities

Company shall provide telephone, telefax and other communication facilities at the residence of Mr. Manish B. Mandhana.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Minimum Remuneration:

In the event of loss or inadequacy of profits in any corporate financial year during the currency of tenure of service of Mr. Manish B. Mandhana, the aforesaid remuneration shall be paid as a minimum remuneration as provided under Section 197 and all other applicable provisions, if any, of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Manish B. Mandhana shall be entitled to receive the remuneration with retrospective effect from 1st April, 2016, after the same is approved by members in the ensuing General Meeting.

RESOLVED FURTHER THAT Mr. Manish B. Mandhana shall be entitled to be paid/reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT the draft of the Agreement of Employment, initialed by the Chairman for the purpose of identification, as placed before the Meeting, be and is hereby approved.

RESOLVED FURTHER THAT any one of the Non-Executive Director of the Company be and is hereby authorised to sign and execute the agreement between the Company and Mr. Manish B. Mandhana as the Joint Managing Director of the Company with effect from 1st April, 2016 on the terms and conditions approved by the members at the ensuing General Meeting.