



## **BHANDARI HOSIERY EXPORTS LIMITED**

( A GOVT OF INDIA RECOGNISED EXPORT HOUSE)

REGD. OFFICE: BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD,  
LUDHIANA-141007 (PUNJAB) (INDIA)

PHONES: +91-88720-16410, FAX : +91-161-2690394, E-mail : [bhandari@bhandariexport.com](mailto:bhandari@bhandariexport.com)

Web: [www.bhandariexport.com](http://www.bhandariexport.com)

Corporate Identification No. / CIN: L17115PB1993PLC013930

TO

31.08.2015

**BOMBAY STOCK EXHCNAE LIMITED (BSE)  
FLOOR 25, FEROCZE JEEJEEBHOY TOWERS  
DALAL STREET ,  
MUMBAI- 400001**

**REG: ANNUAL REPORT OF THE COMPANY FOR YEAR 2014-15  
DEAR SIR**

Please find enclosed herewith Annual Report of the Company for the year 2014-15

**Thanking You  
Yours Faithfully  
For Bhandari Hosiery Exports Limited**

  
**COMPANY SECRETARY**



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## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1. Name of the company  
BHANDARI HOSIERY EXPORTS LIMITED
2. Annual financial statements for the year ended  
31<sup>ST</sup> MARCH, 2015
3. Type of Audit observation Un-qualified / Matter of Emphasis UNQUALIFIED / MATTER OF EMPHASIS
4. Frequency of observation Whether appeared first time..... UNQUALIFIED  
repetitive...../ since how long period \* MATTER OF EMPHASIS IS FOR FIRST TIME

5. To be signed by-

CEO/Managing Director

CFO

Audit Committee Chairman

Auditors of the company

*Nitin Sharma*

*Manoj Kumar*

*Praveen Kumar*

*Vijay Kumar*

*SK*



**BHANDARI**  
Hosiery Exports Limited



SUSTAINABLE  
**INNOVATION**  
IN CIRCULAR KNIT  
FABRIC **DYEING**  
& **FINISHING**

22<sup>nd</sup> ANNUAL REPORT 2014 - 2015



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For more information log on to [www.bhandariexport.com](http://www.bhandariexport.com)

# BHANDARI HOSIERY AT A GLANCE

## FULLY INTEGRATED BUSINESS MODEL

Design>Fabrics >Garments

## FABRIC DIVISION

10 tons Per day capacity  
Open width & tubular width

## GARMENT DIVISION

400000 Lakh pieces per month  
Inhouse capacity

## LOWEST UTILITY CONSUMPTION IN THE INDUSTRY

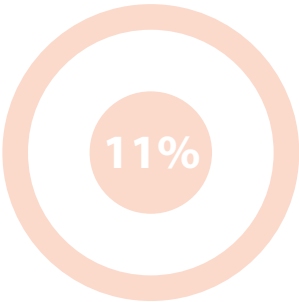
Lowest Water, Steam and Power consumption  
due to modernized machineries



## SPECIALIZED FABRICS

Viscose, Lycra & Blends

## FIT FOR THE FAST CHANGING FASHION WORLD

Faster delivery turnaround time



India   
Outside India 



BHANDARI HOSIERY EXPORTS LIMITED  
LUDHIANA (PUNJAB) INDIA

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## HIGHLIGHTS OF FINANCIAL YEAR 2014-15



Revenues of  
Rs 12497 lacs,  
up 12%



Net Profit of  
Rs 219 lacs,  
up 11%



Expanded Fabric Dyeing  
Capacity from 4 Tons per  
day to 10 tons per day

# BUSINESS VERTICALS - FABRICS & GARMENTS

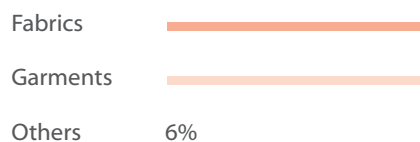
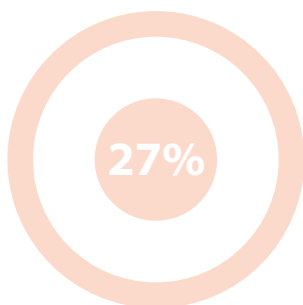
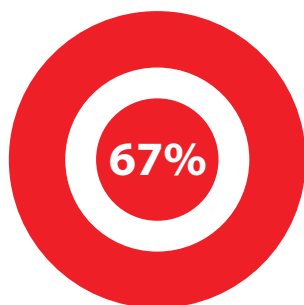
## PRODUCTS PROFILE

### FABRICS

- **Circular Knitted Fabrics**
  - Natural
  - Synthetic
- **Open & Tubular width Fabrics**
- **Specialised Finishes**
  - Teflon
  - Stain resistance
  - Viscose
  - Lycra

### GARMENTS

- **Women's Wear**
  - Tees
  - Leggings
- **Men's Wear**
  - T-shirts
  - Sweat Shirts
  - Pullovers
  - Polo
- **Kids Wear**



# BOARD OF DIRECTORS



**SHRI NITIN BHANDARI**

{ Chairman & Mg. Director }

DIN-01385065



**SH. VIKAS NAYYAR**

{ Non- Executive Director }

DIN-00071047



**SH. ASHISH THAPAR**

{ Independent Director }

DIN-00077281



**MS. MANMEET SIKKA**

{ Additional Independent /  
Woman Director }

DIN-07135079



# CORPORATE INFORMATION



## **BANKERS**

State Bank Of India  
Pahwa Hospital Branch, Ludhiana

## **INDEPENDENT AUDITORS**

M/S Vipin Kumar Aggarwal & Co.  
SCO 15-16, 3rd Floor,  
Jhandu Tower, Miller Ganj, GT Road  
Ludhiana- 141003 (Punjab)

## **COMPANY SECRETARY**

Mr. Gurinder Makkar

## **KEY MANAGERIAL PERSONNEL**

Mr. Nitin Bhandari - Managing Director  
Mr. Manoj Kumar - Chief Financial Officer  
Mr. Gurinder Makkar - Company Secretary

## **REGISTERED OFFICE & WORKS**

Bhandari House, Village Meharban,  
Rahon Road, Ludhiana- 141007  
(Punjab) India

**Phones:** +91-88720-16410

**Fax:** +91-161-2690394

**Email:** bhandari@bhandariexport.com

## **WEBSITE:**

[www.bhandariexport.com](http://www.bhandariexport.com)

## **REGISTRAR & SHARE TRANSFER AGENTS**

M/S LINK INTIME INDIA PVT LTD.,  
44, COMMUNITY CENTRE,  
2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL  
AREA PHASE- I, NEAR PVR NARAINA,  
NEW DELHI -110 028,

**EMAIL:** DELHI@LINKINTIME.CO.IN,

**PHONES:** 011- 41410592-94,

**FAX:** 011- 41410591

# CHAIRMAN & MD MESSAGE



Dear Shareholders,

**“Look at the sky. We are not alone. The whole universe is friendly to us and conspires only to give the best to those who dream and work”** This is the famous quote from Dr. APJ Kalam. Before proceeding to this year's notes, I would like to bid farewell to Dr. APJ Kalam and take inspiration from his lifetime.

I have great pleasure in presenting the Twenty Second Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2015. The year 2014-15 had been a year of greater global volatility and uncertainty. The decline in oil prices, adjustments in exchange rate, quantitative easing program of ECB, concerns over Greece, geo-political tension in Middle east etc., as well as concern over economic and political future of Euro area and European Union are some of the factors which were at play. The global growth in 2014 was lower than initially expected and picked up only marginally in 2014, to 2.6%, from 2.5% in 2013. The global economy is struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis, while emerging economies are less dynamic than in the past. World GDP is expected to grow by 3% in 2015 and 3.3% in 2016.

As regards Indian economy, after years of diminutive growth the reform momentum has picked up in India. The Indian economy grew at 7.3 per cent in 2014-15 due to improvement in the performance of both services as well as manufacturing sectors.

As the Indian Government too, has over the last few months taken some action to revive industrial growth, encourage fresh investment and committed to reforms for industry, our economy in the coming years should regain a trajectory of high growth. Despite challenging global and Indian scenario, your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2014-15, your Company was able to achieve turnover of Rs. 1,24,96.50 Lacs as against Rs. 1,11,53.09 Lacs in the previous year, showing an increase of 12.05% over the previous year.

The Profits after Tax of the Company for the year ended 31.03.2015 has been Rs.219.11 Lacs as against Rs.197.67 Lacs in the previous year showing an increase of 10.85% over the previous. The Exports of the Company for the financial year ended 31.03.2015 were to the tune of Rs. 1390.49 Lacs as against Rs.17,14.67 Lacs in the previous year.

During the year 2014-15, the Company came up with and completed its modernization and expansion of dyeing and fabric division by setting up new Boiler, imported dyeing Machines, imported stenter and open width compacter, Weft Straightener water softening plant, DM Plant, Thermic Fluid Boiler and other fabric division machines and utilities. The company is planning to set up Active wear fabric line which will cater to the needs of growing demand for sportswear, swimwear, yoga wear etc. The fabric line will be one of its kind in the country. It will further boost both the bottom and top line of the company.

Alongwith the impressive strides in business, we are eagerly working towards playing a committed role in the area of Corporate Social Responsibility. We proudly state that your Company is a W.R.A.P, B.S.C.I and C-TPAT Certified Company.

Our success and growth greatly depends on the skills and dedication of our employees, co-operation of our Bankers, and other business constituents, whom I would like to thank sincerely. I am looking forward to another exciting year ahead.

**Finally, I take this opportunity to thank all the Company's stakeholders for their confidence in Bhandari Hosiery and I look forward for their continued support in the years to come.**

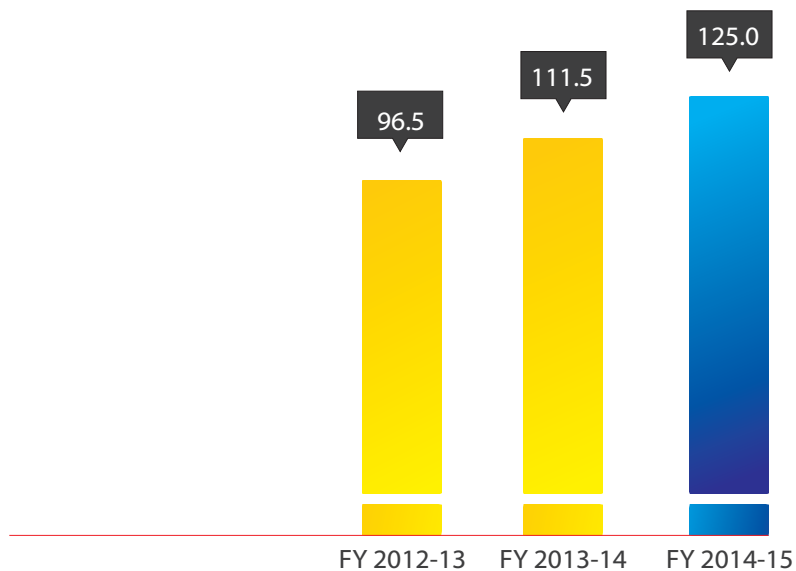
**We would like to thank our Bankers State Bank of India.**

**Warm Regards  
Sd/-  
NITIN BHANDARI  
CHAIRMAN & MG. DIRECTOR**

# FINANCIAL PERFORMANCE

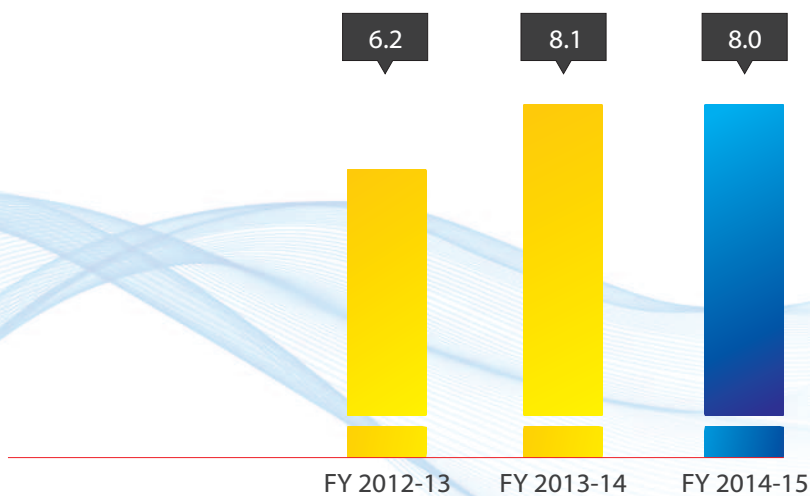
## Revenue

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## EBIDTA

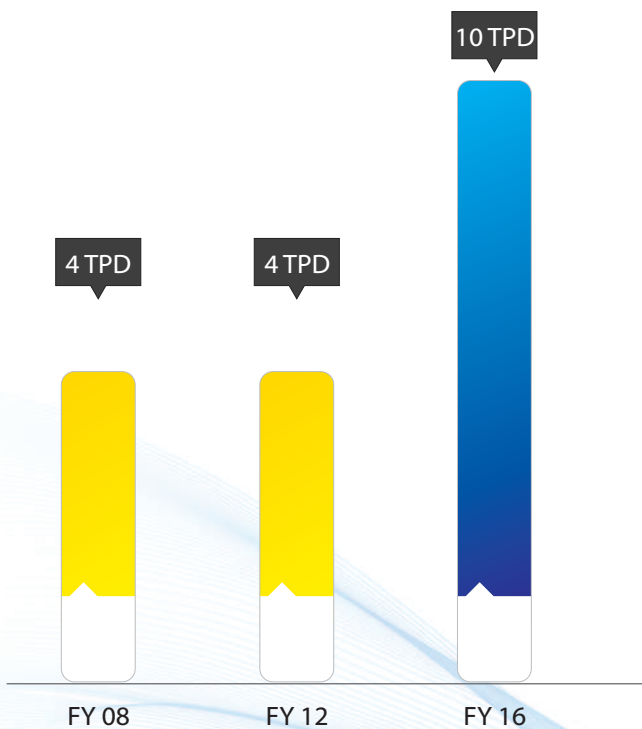
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# EXPANSION



Manufacturing Capacity (Tons Per Day)



- **Expanded Dyeing & Processing capacity from 4 Tons Per Day to 10 Tons Per Day**
- **Latest equipments / technology to improve efficiency with many advantages such as;**
  - Enable to process high quality / value fabrics like lycra , viscose
  - Reduces water & chemical consumption significantly
- **One of the very few facilities in the region**
  - Difficult to get an environment permissions for setting up new facility



## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, the 29<sup>th</sup> day of September, 2015 at 9.00 A.M. at the Registered Office of the Company at Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To consider declaration of dividend for the year on Equity Shares..
3. To appoint a Director in place of Sh. Nitin Bhandari (DIN 01385065), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of sections 139 and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s. Vipin Kumar Aggarwal & Co., Chartered Accountants, Ludhiana (Firm Regn No:007245N) approved in the 21st Annual General Meeting to hold office till the conclusion of the 24th Annual General Meeting to be held in 2017 (subject to ratification of reappointment by the members at every AGM), be and is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.”

### **SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution for appointment of Ms. Manmeet Sikka as Independent Woman Director:-

“**RESOLVED THAT** Ms. Manmeet Sikka (DIN 07135079), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 25, 2015 pursuant to the provisions of Sections 149, 152 and 161(1) of the Companies Act, 2013 read with Schedule IV, further read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, and Clause 49(II)(A)(1) of the Listing Agreement with BSE Ltd. and the Articles of Association of the Company, subject to the approval of Members of the Company and in respect of whom the Company has received a Notice in writing from a member proposing her candidature for the office of Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Woman Director of the Company, not liable to retirement by rotation, to hold office for a period upto March 31, 2019.

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

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, further read with Companies (Cost Records and Audit) Amendment Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Khushwinder Kumar and Associates, Cost Accountants (Firm Regn No.000102) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2015-16, amounting to Rs.30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and reimbursement of out of pocket expenses as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals, consents and provisions as are required to be complied with, consent of the Shareholders of the Company be and is hereby accorded to the reappointment Mr. Nitin Bhandari (DIN: 01385065) as Chairman & Managing Director and CEO of the Company, for a period of 3 (three) years with effect from 22.11.2014, on following terms and conditions including remuneration subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:-



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

1	<b>PERIOD OF APPOINTMENT</b>	Three years w.e.f. 22.11.2014
2	<b>DESIGNATION / POSITION</b>	Chairman & Mg. Director and CEO
3	<b>CONSOLIDATED SALARY</b>	Rs. One Lac Twenty Thousand per month.
	<b>PERQUISITES</b>	Additionally allowable perquisites as specified in Section IV of of Part II of Schedule V to the Companies Act, 2013 shall be such as in accordance with the rules of Company or as may be fixed and decided by the Board of Directors from time to time.
4	<b>MINIMUM REMUNERATION</b>	In the event of loss or inadequacy of profits, the remuneration as above shall be paid as minimum remuneration.
5	<b>OVERALL CEILING</b>	In any event, the Remuneration shall not exceed limits specified under paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration
6	<b>POWER TO VARY</b>	After the approval of the shareholders to the same, the Board shall have the powers to vary or enhance the remuneration from time to time at its discretion on the recommendations of Remuneration Committee within the overall limits specified in subject to the limits specified under paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time, without referring the same again to General Meeting.
7.	<b>OTHER TERMS OF APPOINTMENT</b>	<ol style="list-style-type: none"><li>1. He shall report to the Board of Directors of the Company who shall empower him with such requisite powers (with authority to revoke and/or amend such powers) to enable him to discharge his duties with full responsibility or the area of operations under his control.</li><li>2. He shall work under the superintendence, control and direction of the Board of Directors of the Company.</li><li>3. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.</li><li>4. The Managing Director shall adhere to the Company's Code of Business Conduct &amp; Ethics for Directors and Management Personnel.</li><li>5. He shall be liable to retire by rotation in accordance with the provisions of Companies Act, 2013 and/or Articles of Association of the Company.</li><li>6. He shall not be entitled to any sitting fee for Meetings of the Boards or Committees thereof.</li><li>7. In case Managing Director draws remuneration as a managerial person from another Company, the total remuneration payable by both the Companies shall not exceed the higher maximum limit permissible for any one of the Companies.</li><li>8. MD shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.</li><li>9. The appointment may be terminated by either party by giving six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.</li><li>10. The Appointee is appointed as Director by virtue of their employment in the Company and their appointment shall be subject to the provisions of Section 167 of the Act.</li><li>11. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Appointee unless specifically provided otherwise.</li><li>12. All other general terms of employment and other existing terms and conditions of employment not covered elsewhere shall remain unchanged.</li><li>13. All other terms and general conditions of appointment as applicable to key employees of the Company and Key Managerial Personnel of the Company shall apply to him.</li></ol>

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Nitin Bhandari as a Managing Director of the Company, the Company shall pay to Mr. Nitin Bhandari, the above remuneration as minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.”



**8. To consider and if thought fit, to pass the following resolution as a Special Resolution:  
Approval to Transactions with Related Parties u/s 188 of the Companies Act, 2013**

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any and/or provisions of Clause 49 of the Listing Agreement and any applicable provisions of law, including any re-enactment/ modification/amendment thereof, the Members of the company do hereby ratify and accord their approval to the Board of Directors of the Company (hereinafter referred to as the “Board”) for carrying out the transactions with the related parties by the Company with effect from 1st April, 2015 upto the maximum amount per annum as stated below, notwithstanding the fact that all these transactions within financial year in aggregate may exceed 10 % of the annual consolidated turnover of the Company as per the Company’s last audited financial statements or any materiality threshold as may be applicable from time to time under the Listing Agreement and/or Companies Act, 2013 and Rules made thereunder:-

<b>MAXIMUM VALUE OF TRNASACTIONS/CONTRACTS PER ANNUAM W.E.F. 1ST APRIL, 2015 (RS. IN CRORES)</b>				
Transactions defined u/s 188(1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of Property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, Services or property
<b>A. NAMES OF RELATED PARTIES</b>	On Actual Basis-Exempted under Companies Act, 2013, being in ordianry course of business and on arm's length basis	On Actual Basis-Exempted under Companies Act, 2013, being in ordianry course of business and on arm's length basis		
BHANDARI KNIT EXPORTS		10	3	10
MIRACLE CLOTHING COMPANY		5	3	5
TBD TRADING COMPANY		5	3	5
LIFE STYLE GARMENTS		5	3	5
<b>B. Directors / KMPs / Relatives of Directors and KMPs / Other Firms and Companies in which directors have interest as per the provisions of section 2(76) of the Companies Act, 2013</b>	On Actual Basis-Exempted under Companies Act, 2013, being in ordianry course of business and on arm's length basis	5	3	10

RESOLVED FURTHER THAT the Members of the Company do hereby ratify as also accord their approval to the Board of Directors to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto to give effect to this resolution.”

**By Order of the Board of Directors**

**Sd/-  
(NITIN BHANDARI)  
Chairman & Mg. Director**

**Place : Ludhiana  
Dated : 10.08.2015**



**NOTES:**

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A statement giving relevant details of the directors seeking appointment/re-appointment under Item Nos. 5 and 7 of the accompanying notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange is annexed herewith.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23<sup>rd</sup> September, 2015 to Tuesday, the 29<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting of the Company and payment of dividend, if any, for both physical and electronic segments.
6. Subject to the provisions of Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within 30 days of the declaration of same to those Members whose names appear on the Register of Members as on 22<sup>nd</sup> of September, 2015.
7. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Company has transferred all amounts of unclaimed dividend declared for the Financial Year 2006-07 to "The Investors Education and Protection Fund" established by the Central Government, during year 2014-15. There are no other amounts of unpaid dividends pending for transfer to such Fund.
10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. The Company has entered into agreements with CDSL and NSDL to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL and NSDL.
12. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to the at the Registered Office of the Company at least 10 days prior to date of Annual General Meeting.
13. The Register of Directors' Shareholdings maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
14. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be supplied.
15. As a part of "Green initiative in the Corporate Governance", The Ministry of Corporate Affairs vide its circular nos. 17/2011 and 1/2011 dated 21.04.2011 and 29.04.2011, respectively, has permitted the companies to serve the documents, namely, Notice of General Meeting, Balance Sheet, Statement of Profit & Loss, Auditors' Report, Directors' Report, etc., to the members through e-mail. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agents by sending duly signed request letter quoting their folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).
16. In view of the circular issued by SEBI, the Electronic clearing Services (ECS/NECS) facility should be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company and its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
17. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
18. Pursuant to the requirement of the listing agreement, the Company declares that its equity shares are listed on the BSE Ltd. (BSE), Mumbai. The Company has paid the annual listing fee upto year 2015-16 to the above stock exchange.
19. Members are requested to furnish their Bank Account details, change of address, e-mail address etc. to the Company's Registrar and Transfer Agents viz . M/S LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.





20. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend and vote at the meeting. The route map of the venue of Annual General Meeting forms part of this Notice and is published elsewhere in the Annual Report of the Company.
21. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agents by sending duly signed request letter quoting their folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).
22. Members may also note that the Notice of the 22<sup>nd</sup> Annual General Meeting and the Annual Report for year 2014-2015 will also be available on the Company's website [www.bhandariexport.com](http://www.bhandariexport.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ludhiana for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor@bhandariexport.com](mailto:investor@bhandariexport.com)
- 23. Voting for transaction of Business/Voting Through Electronic Means**

The business as set out in the Notice may be transacted and that :

- (A) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the 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)
- (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through electronic voting system or ballot or polling paper at the AGM.
- (C) 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.
- (D) The remote e-voting period commences on Friday, September 25, 2015 (9.00 a.m. IST) and ends on Monday, September 28, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Tuesday, September 22, 2015, 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.
- (E) Any person, who acquires shares and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut off date i.e. September 22, 2015, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [gurinder@bhandariexport.com](mailto:gurinder@bhandariexport.com). However, if a person is already registered with CDSL for evoting then existing user ID and password can be used for casting the vote.
- (F) Mr. Rajeev Bhambri & Associates, Practicing Company Secretary ( C.P. No. 9491), Ludhiana, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (G) The Scrutinizer after scrutinizing the votes cast at the meeting and through remote evoting, will, not later than 3 days of conclusion of the meeting, make a consolidated scrutinizer's report and submit to the Chairman of the Company. The results declared alongwith the consolidated scrutinizer's report shall be uploaded on the Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com) and [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously will be communicated to the BSE Ltd.
- (H) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 29<sup>th</sup> September, 2015.

**Instructions for E-Voting**

- (i) The shareholders should log on to the e-voting website **[www.evotingindia.com](http://www.evotingindia.com)**.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li></ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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 is to be also used by the demat holders for voting for 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant BHANDARI HOSIERY EXPORTS LIMITED on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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.
- (xviii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22.09.2015 may follow the same instructions as mentioned above for e-Voting.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING**

**\*For Item No. 5 of the Special Business:**

The Board of Directors of the Company at its meeting held on 25.03.2015, had appointed Ms. Manmeet Sikka (DIN 07135079), as Additional/Independent Director/ Woman Director who holds her office upto this Annual General Meeting. Pursuant to provisions of section 161(1) and other applicable provisions of the Companies Act, 2013 and Articles of Association, the Company has received a notice from a shareholder proposing her candidature for the office of Director along with requisite deposit.

Ms. Manmeet Sikka aged about 40 years is Bachelors in Textiles and also a Post Graduate Diploma in Computer Aided Textile designing (CATD). She has around 18 years of experience in garments and textile segment and she has expertise in overseeing fulfillment of export orders, sourcing of goods from domestic and international markets, merchandising, sampling, costing and fixing production parameters. The Company has received from Ms. Manmeet Sikka consent in writing to act as Director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164(2) of the Act and a declaration to the effect that she meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement., alongwith other disclosures. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Ms. Manmeet Sikka proposed to be appointed as Independent Women Director fulfils the conditions specified in the Act and Rules made thereunder and that she is Independent of the management.

The resolution seeks approval of the members for the appointment of Ms. Manmeet Sikka as Independent Director of the Company for a period upto 31st March, 2019 pursuant to Section 149 and other applicable provisions of the Act and Rules made thereunder and that she shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item No.5 for the approval of the members.

**NOTICE OF INTEREST**

No Director, Key Managerial Personnel or their relatives except Ms. Manmeet Sikka to whom the resolutions relates, is concerned or interested, financially or otherwise, in the above resolution. This statement may also be regarded as a disclosure under clause 49 of the Listing agreement with the Stock Exchange.

**\*For Item No. 6 of the Special Business:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has considered and approved the appointment of M/s Khushwinder Kumar and Associates, Cost Accountants (Firm Regn No.000102), who were eligible for being appointed as Cost Auditors of the Company for the financial year 2015-16 at a total remuneration of Rs. 30000/- (Rs. Thirty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses, if any. In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2015-2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

Your Directors, therefore, recommend the said Resolution at Item No. 6 for your approval

**\*For Item No. 7 of the Special Business:**

Mr. Nitin Bhandari was appointed as Chairman cum Managing Director of the Company by Board of Directors of the Company in its Meeting held on 23.11.2009 for a period of 5 years w.e.f. 23.11.2009. The present term of Shri Nitin Bhandari expired on 22.11.2014. Keeping in view the efforts made by Mr. Nitin Bhandari towards the growth of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 13.11.2014 had approved the re-appointment of Mr. Nitin Bhandari as Chairman & Managing Director and CEO of the Company, for a further period of 3 (three) years with effect from 22.11.2014 at existing consolidated monthly remuneration of Rs. 1,20,000/- per month, subject to the approval of Members of the Company at general Meeting.

The Company had obtained his consent in writing to act as a director of the company in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors), to the effect that he is not disqualified from being appointed as Director under sub-section (2) of Section 164 of the Companies Act, 2013 together with other disclosures and information. Mr. Nitin Bhandari satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible himself for re-appointment.



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

Mr. Nitin Bhandari aged 32 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has gained vast experience in the fields of production management, merchandising, setting up of new projects and modernization, liaison with foreign and domestic buyers, marketing, cost & wastage control etc. Considering the above facts, Mr. Nitin Bhandari's qualification and experience and his importance to the Company, he has proved to be an asset to the organization and his continued association would be of immense benefit to the Company. Therefore the Board of Directors of the Company has re-appointed him as Chairman cum Mg. Director and CEO of the Company for a further period of 3 (three) years with effect from 22.11.2014 on the terms and conditions including remuneration as detailed in the Resolution set out in the Notice.

Mr. Nitin Bhandari is not a director in any other Company. He holds 2517830 (17.18%) Equity shares in the Company. He is a Member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company.

**Information required under Section II, Part II of Schedule V of the Companies Act, 2013:**

<b>I. General Information</b>		
Nature of industry	Manufacture and Export of Knitted readymade Garments	
Date or expected date of commencement of commercial production	Company was incorporated on 25 <sup>th</sup> November, 1993 and the Certificate of Commencement of Business was dated 07 <sup>th</sup> December, 1993.	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial performance based on given indicators	The details of financial performance of the Company for the years 2013-14 and 2014-15 are provided in the Annual Report which accompanies this Notice.	
Foreign investments or collaborations, if any	The Company has not entered into any material Foreign collaboration and no direct capital investment has been made in the company. Foreign Investors, mainly comprising NRIs, FIIs and/or Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases. The Company has no subsidiaries as on 31.03.2015.	
<b>II. Information about the appointee</b>		
Background details	Name and Designation	Shri Nitin Bhandari, Chairman & Mg. Director and CEO .
	Date of Birth	24.08.1983
	Father's Name	Shri Naresh Bhandari
	Nationality	Indian
	Qualifications	MBA in Entrepreneurial Management from European Business School, London, U.K.
Past remuneration	He was paid a remuneration of Rs. 14,40,000/- during the year 2013-14. He is proposed to be re-appointed at existing consolidated monthly salary of Rs. 1,20,000/- per month. There is no change in proposed remuneration of the appointee.	
Recognition or awards	None.	
Job profile and his suitability	Shri. Nitin Bhandari holds an MBA degree in Entrepreneurial Management from European Business School, London, U.K. Masters. He has over 10 years of professional experience in the overall managerial area. Taking this into consideration, the Board has bestowed the leadership of the Organization to Shri. Nitin Bhandari.	



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

Remuneration proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable with the industry standards for a director of similar profile.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Nitin Bhandari is Promoter and Managing Director of the company and holds 2517830 (17.18%) equity shares in the Company.
<b>III. Other information</b>	
Reasons of loss or inadequate profits	The Company has profits in the past years as well as in 2014-15. In 2014-15, the profits of the Company after Tax are 219.11 Lacs. Higher interest cost, general reversionary trend in the textile industry, global slowdown, modernization and expansion costs, ambiguous government policies and unprecedented volatility in prices of raw materials and competition may become reasons for inadequate profits of the Company.
Steps taken or proposed to be taken for improvement	The Company has taken various initiatives viz. product innovation, reduction of various costs, better market penetration, exploring new buyers and improvement in realization etc. It is expected that the performance of Company will further improve during the next financial year as initiatives taken by the Company for increase its productivity and efficiency. The turnover and profitability will also improve further, but are not measurable as the same are influenced by various factors such as market prices of raw materials and cost of various inputs etc.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve further the Company's performance and profitability in the future.
<b>IV. Disclosure:</b> As required, the information is provided under Corporate Governance Section of Annual Report 2014-15	

None of the Directors and Key Managerial Personnel except Shri. Nitin Bhandari as an appointee may be deemed to be concerned or interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

**\*For Item No. 8 of the Special Business:**

**TRANSACTIONS WITH RELATED PARTIES U/S 188 OF THE COMPANIES ACT, 2013 READ WITH CLAUSE 49 OF LISTING AGREEMENT.**

As per provision of sub-section (1) of Section 188 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules 2014, as amended, a company needs to obtain prior approval of the Board of Directors for related parties transactions. In case transactions with related parties cross the limits specified under Section 188 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules 2014 as amended from time to time, the prior approval of shareholders by way of a Special Resolution is required for the related party transactions.

Further, third proviso to section 188(1) provides that nothing in this sub-section shall apply to any transaction entered into by the company in its ordinary course of business and on arm's length basis.

Further, the revised provisions of Clause 49 of the Listing Agreement, effective from October 1, 2014, require approval of shareholders by way of Special Resolution for material related party transactions. There is no exemption thereunder even if such transaction is in the ordinary course of business of the entity or on an arm's length basis. A transaction with a related party shall be considered material under Clause 49 of the Listing Agreement, if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

The Company, in its ordinary course of business has to do certain transactions with its related parties. The stated transactions are in the ordinary course of business of the Company and on an arm's length basis and are as such exempt from the provisions of Section 188 (1) of the Companies Act, 2013. The Audit Committee of the Company has granted omnibus approval for the transactions proposed to be entered into with company's related parties for the financial year 2015-16 upto certain limits. The Audit Committee also has noted that said transactions are on arm's length basis. These transactions, including the transactions so far in the financial year, in aggregate may exceed the materiality threshold prescribed under the Listing Agreement, i.e. 10% of the Company's annual consolidated turnover as per the Company's last audited financial statements. The Company now proposes to obtain approval of the members for ratifying as also for giving further approval to the Board of Directors (hereinafter referred to as the



“Board”, which term shall be deemed to include any Committee duly constituted / empowered by the Board from time to time to exercise its powers conferred by this resolution), for entering into these transactions, as per the business needs of the Company.

All prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given here in below in a tabular format for kind perusal of the members:

<b>MAXIMUM VALUE OF TRNASCTIONS/CONTRACTS PER ANNUM W.E.F. 1ST APRIL, 2015 (RS. IN CRORES)</b>				
<b>Transactions defined u/s 188(1) of the Companies Act, 2013</b>				
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of Property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, Services or property
<b>A. NAMES OF RELATED PARTIES</b>	On Actual Basis-Exempted under Companies Act, 2013, being in ordinary course of business and on arm's length basis	On Actual Basis-Exempted under Companies Act, 2013, being in ordinary course of business and on arm's length basis		
BHANDARI KNIT EXPORTS		10	3	10
MIRACLE CLOTHING COMPANY		5	3	5
TBD TRADING COMPANY		5	3	5
LIFE STYLE GARMENTS		5	3	5
<b>B. Directors / KMPs / Relatives of Directors and KMPs / Other Firms and Companies in which directors have interest as per the provisions of section 2(76) of the Companies Act, 2013</b>	On Actual Basis-Exempted under Companies Act, 2013, being in ordinary course of business and on arm's length basis	5	3	10

**Other Disclosures:**

<b>a</b>	Name of the related party and nature of relationship:	Names as provided in table above. Mr. Nitin Bhandari, Mg. Director is a partner in Bhandari Knit Exports, TBD Trading Company and Miracle Clothing Company. Life Style Garments is owned by Relative of Shri Nitin Bhandari, Mg. Director
<b>b</b>	Nature, duration of the contract and particulars of the contract or arrangement:	All proposed transactions would be carried out as part of the business requirements of the Company in ordinary course of business at fair price basis/prevaling market rates and on arm's length basis. Duration of the lease agreements for the properties given/taken on lease would be 11 months and renewable thereafter as per the terms of agreement.
<b>c</b>	Material terms of the contract or arrangement including the value, if any:	As referred in point (b) above.
<b>d</b>	Any advance paid or received for the contract or arrangement, if any:	<b>NIL</b>
<b>e</b>	Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract:	All proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis..
<b>f</b>	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors:	All factors have been considered.
<b>g</b>	Any other information relevant or important for the members to take a decision on the proposed transaction/resolution:	<b>NIL</b>

Except Shri Nitin Bhandari, Mg. Director and Shri Vikas Nayar, Non Executive Director, no other Director or KMP is concerned or interested in the Resolution.

The members may please note that as per the Listing Agreement, the related parties as defined thereunder will need to abstain from voting on the resolution under Item no. 8.

The Board of Directors of your Company recommends the Resolution as set out at item no. 8 in the accompanying Notice for the approval of members of the Company as a Special Resolution..

**By Order of the Board of Directors**  
Sd/-

**(NITIN BHANDARI)**  
Chairman & Mg. Director

Place : Ludhiana  
Dated : 10.08.2015



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

**INFORMATION PURSUANT TO CORPORATE GOVERNANCE CLAUSE 49 OF THE LISTING AGREEMENT(S) REGARDING THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING.**

<b>NAME OF DIRECTOR</b>	MS. MANMEET SIKKA (INDEPENDENT DIRECTOR)	MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)
<b>DIN</b>	07135079	01385065
<b>DATE OF BIRTH</b>	09.10.1975	24.08.1983
<b>DATE OF APPOINTMENT</b>	25.03.2015	23.11.2009
<b>QUALIFICATION</b>	B. TECH. (TEXTILES), Post Graduate Diploma in Computer Aided Textile designing (CATD)	MBA in Entrepreneurial Management from European Business School, London, U.K.
<b>SHAREHOLDING IN THE COMPANY</b>	NIL	2517830 (17.18%)
<b>RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY</b>	NIL	NIL
<b>DIRECTORSHIP/CHAIRMANSHIP IN OTHER PUBLIC COMPANIES</b>	NONE	NONE
<b>MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES</b>	NIL	NIL
<b>EXPERTISE</b>	Ms. Manmeet Sikka aged about 40 years is Bachelors in Textiles and also a Post Graduate Diploma in Computer Aided Textile designing (CATD). She Has around 18 years of experience in garments and textile segment and she has expertise in Overseeing fulfillment of export orders, sourcing of goods from domestic and international markets, merchandising, sampling, costing and fixing production parameters.	Mr. Nitin Bhandari aged 32 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has developed vast experience in the fields of production management, merchandising, setting up of new textiles projects, their modernization and expansion, viability, liaison with foreign and domestic buyers, marketing, cost & wastage control etc.

**By Order of the Board of Directors**  
**Sd/-**

**(NITIN BHANDARI)**  
**Chairman & Mg. Director**

**Place : Ludhiana**  
**Dated : 10.08.2015**



## DIRECTORS' REPORT

To  
The Members,  
BHANDARI HOSIERY EXPORTS LIMITED

Your Directors have pleasure in presenting their 22<sup>nd</sup> Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2015

### **FINANCIAL RESULTS**

(RS. IN LACS)

PARTICULARS	2014-15	2013-14
Turnover	12496.50	11153.09
GROSS PROFIT before interest depreciation and tax	802.70	811.94
Less: Financial expenses	376.64	413.62
Less: Depreciation and preliminary exp. written off	126.52	119.56
PROFIT BEFORE TAX	299.54	278.76
Less: Provision for tax	-80.43	81.09
PROFIT AFTER TAX	219.11	197.67
Add: Balance brought forward	1633.59	1435.92
Amount available for appropriation(s)	1852.70	1633.59
Appropriation:		
-Proposed Dividend on Equity shares @ Rs. 0.10/- per Equity Share (i.e. 1%)	14.65	-
-Tax on dividend @ 20.36%	2.983	-
Balance carried to Balance Sheet	1835.06	1633.59

### **PERFORMANCE REVIEW**

Despite challenging global and Indian scenario, your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2014-15, your Company was able to achieve turnover of Rs. 12496.50 Lacs as against Rs. 11153.09 Lacs in the previous year, showing an increase of 12.05% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2015 has been Rs. 219.11 Lacs as against Rs. 197.67 Lacs in the previous year showing an increase of 10.85% over the previous. The Exports of the Company for the financial year ended 31.03.2015 were to the tune of Rs. 1390.49 Lacs as against Rs. 1714.67 Lacs in the previous year.

### **EXPORTS**

The Exports of the Company for the financial year ended 31.03.2015 were to the tune of Rs. 1390.49 Lacs as against Rs. 1714.67 Lacs in the previous year.

### **REVISION IN FINANCIAL STATEMENTS**

The Financial Statement were approved by the Board of Directors in its meeting held on 29<sup>th</sup> May 2015, however upon observing some arithmetical errors in calculation of depreciation and some other expenses in the Audited Financial Statements and to recommend payment of dividend for the financial year 2014-15, the Board of Directors reconsidered and approved the Financial Statements in its meeting held on 22<sup>nd</sup> July 2015.

### **DIVIDEND**

Your directors recommend a dividend of 1% (Rs. 0.10 per Share of face value Rs. 10/-) for the year 2014-15, (Previous year 2013-14- Nil), subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

The Company had declared Interim Dividends in the year 2006-07. The unencashed dividend amount lying unclaimed to the credit of the said Unpaid Dividend Account 2006-07 became due for transfer to the Investor Education and Protection Fund in April, 2014. The company has accordingly transferred all amounts of unencashed dividend amount remaining unclaimed and due for transfer to the Investor Education and Protection Fund.

### **TRANSFER TO RESERVES**

The Company does not propose to transfer any amount to reserves.





## **CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement with BSE Ltd. (BSE), a Report on Corporate Governance is given as a part of this Directors' Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is given at the end of Directors' Report and forms part of this Report.

## **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 is Rs. 14.65 Crores. During the year under review, the Company has not issued any equity shares/ shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares.

## **CAPITAL EXPENDITURE**

As at 31<sup>st</sup> March 2015 the gross fixed assets stood at Rs. 53.49 Crores and net fixed assets Rs. 43.57 Crores. Additions during the year amounted to Rs. 23.49 Crores to plant & machinery and other assets amounted to Rs. 1.16 crores.

## **FINANCE**

Fresh long term debt for Rs. 17.16 Crores was raised during the year. However, existing term debts to the extent of Rs. 0.52 crores were repaid. The Cash Credit Limits were enhanced from Rs. 26.50 Crores to Rs. 39.50 Crores during Financial year 2014-15 and the limits were availed to the extent of Rs. 28.38 Crores. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

## **DIRECTORS AND KMPs**

### **(i) Appointments**

The Board of Directors has appointed Ms. Manmeet Sikka (DIN 07135079), as Additional Director/Woman Director of the Company in the category of Independent Directors with effect from 25.03.2015. Ms. Manmeet Sikka, subject to approval of the shareholders in the ensuing Annual General Meeting, is proposed for appointment as Independent Directors for a period upto 31.03.2019. Further details of the above Director are given in the Corporate Governance Report as well as in the Notice of the Annual General Meeting being sent to the shareholders along with the Annual Report.

Further, Shri Nitin Bhandari was re-appointed as Chairman & Mg. Director and CEO of the Company for a period of 3 years w.e.f. 22.11.2014, by the Board of Directors of the Company, subject to the approval of Members of the Company at ensuing Annual General Meeting. So his appointment as such has been proposed for consideration and approval of Members of Company. Further details in this respect are given in the Notice of the Annual General Meeting being sent to the shareholders along with the Annual Report.

### **(ii) Retirement by rotation**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Nitin Bhandari, Director, retires by rotation and is eligible for reappointment.

### **(iii) Resignations**

During the year under review, Shri Manmohan Sikka, Independent Director resigned from Board of Directors of the Company.

### **(iv) Declarations by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **(v) Board Evaluation**

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **(vi) Nomination & Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. More details of the same are given in the Corporate Governance Report.

### **(vii) Board Meetings**

During the year, 6 Board Meetings and 5 Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013.

### **(viii) Key Managerial Personnel**

During the year 2014-15, the Company had three Key Managerial Personnel viz. Mr. Nitin Bhandari, Chairman & Managing Director & CEO, Mr. Surinder Kumar, Chief Financial Officer and Mr. Gurinder Makkar, Company Secretary. On 15<sup>th</sup> April, 2015, Shri Surinder Kumar resigned and Shri Manoj Kumar has been appointed as CFO of the Company in place.



### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not directly or indirectly - a) given any loan to any person or other body corporate other than usual advances envisaged for supply of materials if any, b) given any guarantee or provided security in connection with a loan to any other body corporate or person and c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate.

### **DEPOSITS**

Your company has not invited/ accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.bhandariexport.com](http://www.bhandariexport.com).

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is Annexed herewith as “Annexure - C”.

### **RELATED PARTY TRANSACTIONS**

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of the business of the Company. All related party transactions are placed before the Audit Committee of the Board of Directors for its approval. Prior omnibus approval of the Audit Committee of the Board of Directors is obtained for the transactions, which are of foreseen and repetitive nature. A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the Audit Committee of the Board of Directors for their review on a quarterly basis. During the year under reference, no Material Related Party Transactions were entered in terms of the proviso to revised Clause 49 VII C of the Listing Agreement. Hence the Company is not required to disclose details of the related party transactions in Form AOC – 2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. The policy on Related Party Transactions as approved by the Board is hosted on the Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com).

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

### **STATUTORY AUDITORS**

M/s Vipam Kumar Aggarwal & Company, Chartered Accountants, the Statutory Auditors of the Company, had been appointed as Statutory Auditors of the Company for a period of 3 years at the last annual general meeting held on 29.09.2014 subject to ratification of their appointment by the members at every annual general meeting. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of the Statutory Auditors. As required under Clause 41 of the Listing Agreement, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s **Rajeev Bhambri & Associates, Company Secretaries**, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as Annexure - A to this report. No adverse comments have been made in the said report by the Practicing Company Secretary.

### **COST AUDITORS**

For the Financial Year 2014-15, Company was not required to appoint Cost Auditors. With the new Cost Audit Rules, now the Company was again required to appoint Cost Auditor for the Financial Year 2015-16. The Board on the recommendation of Audit Committee, has appointed M/s Khushwinder Kumar & Associates, Cost Accountants, Ludhiana (Firm Registration No. 00102), as Cost Auditors for the Financial Year 2015-16 and the remuneration of the Cost Auditor has been proposed to be approved by the members in the Annual General Meeting.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2015 AND DATE OF THE REPORT.**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report.



### **EXPANSION**

The Company has made expansion and modernization in fabric, dyeing and boiler division. The Company has plans to set up yarn dying within premises as a part of ongoing expansion and modernization programme.

### **AUDITORS' REPORT**

The Auditors' Report is self-explanatory and do not call for further comments as there are no adverse remarks in the Auditors' Report.

### **APPOINTMENT OF SECRETARIAL AUDITOR AND INTERNAL AUDITOR**

The Company has in accordance with the applicable provisions of the Companies Act, 2013, appointed Secretarial Auditors as well as Internal Auditors for the year 2015-16.

### **LISTING OF SECURITIES**

The securities of the Company are listed only on BSE Ltd. (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The Company has paid the Listing Fees to the BSE upto the financial year 2015-16

### **INDUSTRIAL RELATIONS**

The industrial relations remained very cordial and responsive during the year under review.

### **CASH FLOW STATEMENT**

In conformity with the provisions of Clause 32 of the Listing Agreement with Stock Exchanges, the Cash Flow Statement for the year ended 31st March, 2015 is annexed at the end of Financial Statements.

### **DISCLOSURE OF COMPLAINTS OF SEXUAL HARRASMENT, CHILD LABOUR ETC.**

Sr.	Category	No. of complaints during financial year 2014-15	No. of complaints pending as at end of year 2014-15
1	Child labour/forced labour/involuntary labour	The Company does not hire Child Labour, Forced Labour or Involuntary Labour. <b>No case reported</b>	Not Applicable
2	Sexual Harassment	<b>No case reported</b>	Not applicable
3	Discriminatory employment	<b>No case reported</b>	Not applicable

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions with respect to Corporate Social Responsibility and constitution of CSR Committee are not applicable to the Company in view of applicability criteria set under Section 135 and Schedule VII of the Companies Act, 2013 read with as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

However the Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. The Company continues to abide by its general Social Responsibility and maintain following certifications:

#### **W.R.A.P. CERTIFICATION**

The Company's core values on safety, occupational health, environmental stewardship and respect for people permeate all of its actions and will continue to guide its decisions and actions in the future. The Company's commitment to environmental, health and safety processes is practised by the leadership and at all levels of management. The Company takes all reasonable and practicable steps to protect occupational health and safety of employees, community, and the environment affected by its process, products and services. It is all due to the emphasis on Social Responsibility that the Company gets Certification from Worldwide Responsible Apparel Production (W.R.A.P.) USA, a Voluntary Non Profit Organization which certifies Health, Safety, Welfare measures and compliance with Govt. and other Regulatory Authorities laws and bye laws by a Apparel/Textile Unit.

#### **BSCI (Business Social Compliance Initiative) CERTIFICATION**

The Company heading towards good Corporate Social Responsibility, also have s BSCI (Business Social Compliance Initiative) Certification. European retail companies and associations have developed a common monitoring system simplifying and standardizing the requirements and individual monitoring procedures. The BSCI is based on the labour standards of the International Labour Organization (ILO) and other important international regulations like the UN Charta for Human Rights, as well as on national regulations. The Initiative aims at continuously improving the social performance of suppliers, leading to Best Practice like SA8000 certification or equivalents and thus sustainably enhancing working conditions in factories worldwide. The Certification achieved by the Company in the true sense reflects the true spirit of the Company in improving working conditions, social health, safety, welfare and good Corporate practices. Besides the company would be able to get the confidence of EU based customers by ensuring good social compliance.

#### **C-TPAT CERTIFICATION**

The Company has got C-TPAT Certification and achieved another important milestone. C-TPAT (Customs - Trade Protection Against Terrorism) is a voluntary US government-business initiative to build cooperative relationships that improve overall international supply chain and U.S. border security. This initiative was launched to assist the trading community in the war against Terrorism some criteria such as Business Partner Requirements (Security Procedures), Container Security (Seals, Container Inspection etc), Physical Access Control, Procedural Security, Security Training and Awareness, Physical Security, Information Technology.

C-TPAT stands for Customs Trade Partnership Against Terrorism and it is just that: a partnership, or relationship, that a company voluntarily builds with customs to ensure the movement of it's supply chain on the company's side and to reassure customs that the



company is not importing anything hazardous into the U.S. C-TPAT focuses on “securing company's supply chains with regards to terrorism.” It has no doubt its imperative benefits as the Foreign buyer get more relied about the Company's Risk Management System and Safety and Security procedures adopted.

### **SUBSIDIARY COMPANY/ASSOCIATE COMPANY/JOINT VENTURE**

There is no Subsidiary /Associate Company of the Company.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure - D”.

### **GRATUITY**

The provision for gratuity has been made as provided under the Payment of Gratuity Act.

### **PARTICULARS OF THE EMPLOYEES**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.60 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs.60 lacs during the financial year 2014-15. So this information is NIL.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith at “Annexure- B” .

### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the Section 134(3)(c) of the Companies Act, 2013:

- (i) That in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That such accounting policies, as mentioned in the Financial Statements as ‘Significant Accounting Policies’ have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual financial statements have been prepared on a going concern basis;
- (v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically and used efficiently and adequately protected.

### **DECLARATION REGARDING CODE OF CONDUCT**

All the members of the Board and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2015 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Government of India, Government of Punjab, State Bank of India, the large family of shareholders, business associates/customers/buyers, the dedicated employees and all other business constituents, who are continuing to assist your Company.

Place : Ludhiana  
Date : 10.08.2015

For and on behalf of the Board of Directors  
Sd/-  
(Nitin Bhandari)  
Chairman & Managing Director



**“ANNEXURE-A” TO THE DIRECTORS' REPORT**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
Bhandari Hosiery Exports Limited  
Bhandari House, Village Meharban, Rahon Road  
Ludhiana-141007 (Pb.).**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhandari Hosiery Exports Limited (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to all labour & industrial laws, The Competition Act, 2012, all environmental laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that

The Board of Directors of the Company is duly constituted 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 at least seven days 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 or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**Sd/-**  
**Rajeev Bhambri & Associates**  
**Company Secretary in whole time practice**  
C.P. No. 9491  
Place: Ludhiana  
Dated: 10.08.2015

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

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**'ANNEXURE A'**

To,

**The Members,**  
**Bhandari Hosiery Exports Limited**  
**Bhandari House, Village Meharban, Rahon Road**  
**Ludhiana-141007 (Pb.).**

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

1. 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.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. 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.

**Sd/-**  
**Rajeev Bhambri & Associates**  
**Company Secretary in whole time practice**  
C.P. No. 9491  
Place: Ludhiana  
Dated: 10.08.2015



**“ANNEXURE -B” TO BOARD’S REPORT**

**I. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The ratio of the remuneration of each director to the median employee’s remuneration for the financial year and such other details as prescribed is as given below:

Name	Ratio
Mr. Nitin Bhandari (Chairman & Managing Director)	9:1
Other Directors (Non Executive and Independents) (Only Sitting Fee paid)	N.A.
Mr. Gurinder S. Makkar (Company Secretary)	2.5:1
Mr. Surinder Kumar (CFO) (Resigned after 15.04.2015.)	3.13:1

For this purpose, sitting fees paid to the directors has not been considered as remuneration.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% Increase
Mr. Nitin Bhandari*	Managing Director	NIL
Mr. Surinder Kumar	Chief Financial Officer	NIL
Mr. Gurinder S. Makkar	Company Secretary	NIL

\*There was no increase in remuneration of of KMP during the financial year 2014-15.

3. Percentage increase in the median remuneration of employees in the financial year : 10.25%.
4. The number of permanent employees on the rolls of company: 234
5. The explanation on the relationship between average increase in remuneration and Company performance:  
The Company’s PAT were 219.11 lacs as compared to 197.67 lacs in the previous year. The incremental increase in the salaries of employees is based on salary benchmarking done with industry peers to ensure retention of experienced employees. Company performance has indirect linkage to overall compensation of employees.
6. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
There was no increase in the remuneration of Key Managerial Personnel during the year 2014-15, though the Profit After Tax of the Company increased by 10.85%.
7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Closing date of Financial Year	Issued Capital (Shares)	Closing Market Price per share	EPS	PE Ratio	Market Capitalization (Rs. lacs)
31.03.2014	14652695	44.4	1.35	32.89	6505.8
31.03.2015	14652695	30.2	1.50	20.13	4425.11
Increase/(Decrease)	-	-14.20	0.15	-12.76	-2080.69
% of Increase/ Decrease)	-	-31.98	11.11	-38.80	-31.98

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

The equity shares of the Company were initially listed on BSE Ltd. in the year 1995. As on 31<sup>st</sup> March, 2015, the market quotation of the Company’s share price (closing price) was Rs. 30.20. The Company did not come out with any public offers in the last financial year.

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

There is only one Whole Time Director i.e. Managing Director. There was no increase in remuneration paid to Managing Director during the Financial Year 2014-15. Average increase in remuneration for employees other than Managerial Personnel is in line with the industry peers and to ensure retention of experienced employees.



9. Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

<b>% Increase (avg.) in remuneration of KMP</b>	<b>Company performance</b>	
NIL	During the year 2014-15, Company's turnover was Rs. 12496.50 Lacs , showing an increase of 12.05% over the previous year. The Profits after Tax for year 2014-15 were Rs. 219.11 Lacs showing an increase of 10.85% over the previous.	
<b>Name</b>	<b>Remuneration of KMP (Rs. lacs)</b>	<b>Performance of the Company – PAT as on 31<sup>st</sup> March, 2015 (Rs. lacs)</b>
Mr. Nitin Bhandari , Mg. Director	14.40	219.11
Mr. Surinder Kumar (CFO)	5.34	
Mr.Gurinder S. Makkar, Company Secretary	4.19	

10. The key parameters for any variable component of remuneration availed by the directors: There is no variable component in the remuneration of Shri Nitin Bhandari, Managing Director. The Non Executive and Independent Directors are not paid any remuneration by the Company except sitting fee. As regards the remuneration of Mg. Director, the same is paid with the approval of Members of Company. There were no changes in remuneration payable tom Mg. Director as compared to previous year.
11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable
12. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**II. INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 – Not Applicable.**

Place: Ludhiana  
Date: 10.08.2015

For and on behalf of the Board of Directors  
Sd/  
(Nitin Bhandari)  
Chairman & Managing Director





**“ANNEXURE-C” TO BOARD’S REPORT**

**STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**1. CONSERVATION OF ENERGY**

- (a) Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.
- (b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- (c) Various on-going measures for conservation of energy include (i) use of energy efficient lighting and better use of natural lighting, (ii) reduction of energy loss, and (iii) replacement of outdated energy intensive equipment.

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. The Company has given due attention towards conservation of energy. It not only reduces the cost of production but also helps in conservation of natural resources which are depleting very fast. The Company is constantly looking for savings of energy and trying to conserve energy continuously by modifications or trying alternate means and continuously upgrading technology and work practices. Steps are being taken to conserve energy on a continuous basis. Besides continuing the measures taken in earlier years, following steps were taken during the year 2014-15 with a view to reduce the cost of energy and consequently the cost of production.

Conservation measures taken, proposed measures being implemented for reduction of consumption of energy and consequent impact thereof for the year 2014-15:

Measures taken	Saving amount (Rs. In Lacs)	Energy Savings 2014-15 (Units in Lacs)
<ul style="list-style-type: none"> <li>• Installation of energy efficient light fittings.</li> <li>• Replacement of old &amp; re-wound motors with Energy Efficient Motors</li> <li>• Replacement of derated &amp; defective Capacitors,</li> <li>• Optimising Water usage in dyeing and reducing load on ETP and power usage.</li> <li>• Use of inverters in Unit .</li> </ul>	3.75	0.60

- (d) Total energy consumption and energy consumption per unit of production is given in the table below:

1	<b>ELECTRICITY</b>		2014-15	2013-14
	a	<b>PURCHASED UNIT</b>		
		Total Amount	991246	929572
		Rate per unit	6399154	6480967
			6.45	6.97
	b	<b>OWN GENERATION THROUGH DIESEL GENERATOR(S)</b>		
		Units produced	KWH	388610
		Unit per litre of Diesel	KWH	420240
		Total Diesel consumed	5.06	5.3
		Diesel cost	LTR	76776
		Cost per unit of KWH	RS	79290
			3818070	3914902
			Rs/ Kwh	9.82
			9.32	
2		COAL	NIL	NIL
3		FURNANCE OIL	NIL	NIL
4		OTHER INTERNAL GENERATION	NIL	NIL
5	a	HUSK FOR STEAM	RS.	14421204
	b	HUSK FOR STEAM Kg	KG.	8883714
		Rate Per Kg	2782975	1944160
			5.18	4.57
6	a	DIESEL FOR STEAM	40214	40059
	b	Rate per Ltr	49.73	54.15
		<b>Consumption / unit production</b>		
		Production of garments	1002301	964629
		Electricity Consumed	Kwh/pc	0.99
			1.40	
		Husk Consumed	Kg/pc	NIL
			NIL	NIL





“ANNEXURE –D” TO BOARD’S REPORT

**EXTRACT OF ANNUAL RETURN**

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

**FORM NO MGT -9**

**I. Registration and Other Details**

CIN	L17115PB1993PLC013930
Registration Date	25.11.1993
Name of the Company	BHANDARI HOSIERY EXPORTS LIMITED
Category/Sub- category of the Company	Company limited by shares / Non Government company
Address of the Registered Office and Contact Details	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 PUNJAB INDIA
Whether Listed	Yes (LISTED AT BSE)
Name, address and contact details of Registrar and Transfer Agents, If any	M/S LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2 <sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: <a href="mailto:DELHI@LINKINTIME.CO.IN">DELHI@LINKINTIME.CO.IN</a> , PHONES: 011- 41410592-94, FAX: 011- 41410591

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

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

SI No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Knitted hosiery garments	2650	27.13
2.	Fabrics	2650	67.13

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

SI No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					



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

**(I) Category - Wise Shareholding**

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) individual / HUF	3484176	0	3484176	23.78	3474029	0	3474029	23.71	-0.07
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) state Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Others	0	0	0	0	0	0	0	0	0
<b>Sub -Total (A)(1):</b>	<b>3484176</b>	<b>0</b>	<b>3484176</b>	<b>23.78</b>	<b>3474029</b>	<b>0</b>	<b>3474029</b>	<b>23.71</b>	<b>-0.07</b>
<b>(2) Foreign</b>									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Others - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any others	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoters (A)= (A)(1) + (A)(2)</b>	<b>3484176</b>	<b>0</b>	<b>3484176</b>	<b>23.78</b>	<b>3474029</b>	<b>0</b>	<b>3474029</b>	<b>23.71</b>	<b>-0.07</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks /FI	17	0	17	0	0	0	0	0	0
c) central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	155000	0	155000	1.06	1.06
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub -Total (B)(1):</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>155000</b>	<b>0</b>	<b>155000</b>	<b>1.06</b>	<b>1.06</b>
<b>(2) Non -Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	1685205	39955	1725160	11.77	1899200	39855	1939055	13.23	1.46
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individual</b>									
i) Individual Shareholders holding nominal share capital upto 1 lakh	1120502	445040	1565542	10.68	1276078	434220	1710298	11.67	0.99
ii) Individual Shareholders holding nominal share capital in excess 1 lakh	6355260	850135	7205395	49.17	6566964	0	6566964	44.82	-4.35
c) others (specify)	0	0	0	0	0	0	0	0	0
i) Shares Held by pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Others foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	200000	0	200000	1.36	1.36



**Bhandari Hosiery Exports Limited**  
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iv) NRI / OCBs	66337	0	66337	0.45	148608	0	148608	1.01	0.56
v) Clearing Members / Clearing House	124225	0	124225	0.85	21308	0	21308	0.14	-0.71
vi) Trust/HUF	356843	125000	481843	3.29	437433	0	437433	2.99	-0.30
vii) Limited Liability Partnerships	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporates)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub -Total (B)(2):</b>	<b>9708372</b>	1460130	<b>11168502</b>	76.22	10549591	474075	11023666	75.23	-0.99
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>9708389</b>	1460130	<b>11168519</b>	76.22	10704591	474075	11178666	76.29	0.07
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	13192565	1460130	14652695	100	14178620	474075	14652695	100	0

**ii) Shareholding of Promoters**

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total Shares	
1	NARESH BHANDARI	675	0.00	0	675	0.004	0	0.00
2	NITIKA BHANDARI	697711	4.76	0	693681	4.73	0	-0.03
3	SURESH K BHANDARI	17960	0.12	0	8100	0.05	0	-0.07
4	NITIN BHANDARI	2767830	18.89	0	2517830	17.18	0	-1.71
5	KUSUM BHANDARI	0	0	0	253743	1.73	0	1.73
	<b>TOTAL</b>	<b>3484176</b>	<b>23.78</b>	<b>0</b>	<b>3474029</b>	<b>23.71</b>	<b>0</b>	<b>-0.07</b>

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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during	
		No. of Shares	% of total Shares of the company	No. of shares	% of total Shares of the company
	At the beginning of the year	<b>3484176</b>	<b>23.78</b>		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	10147 (Date wise as per list)	-0.07 (Date wise as per lists below)	( as per list)	( as per list)
	At the end of the year	<b>3474029</b>	<b>23.71</b>		

NITIKA BHANDARI	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2014	OPENING BALANCE	697711				<b>697711</b>	4.76
	22.12.2014	PURCHASE	5000				702711	4.80
	26.12.2014	PURCHASE	3970				706681	4.82
					22.01.2015	SALE	13000	693681
				31.03.2015	CLOSING BAL. (A)	693681		



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<b>NARESH BHANDARI</b>	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2015	OPENING BAL.	675	31.03.2015	CLOSING BAL. (B)	675	675	0.004

<b>KUSUM BHANDARI</b>	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2015	OPENING BAL.	0				0	0
	13.06.2014	GIFT FROM SON	250000				250000	1.71
	01.10.2014	BOUGHT	4400				254400	1.74
				16.12.2014	SOLD FOR CHARGES	657	253743	1.73
				31.03.2015	CLOSING BAL (C)	253743		1.73

<b>SURESH K BHANDARI</b>	DATES		SALE (-) / PURCHASE (+) QTY.	REASON	CUM BAL	%
	01.04.2014	17960	0	<b>OPENING BAL.</b>	17960	0.12
	<b>04/04/2014</b>		-1770	SALE	16190	0.11
	<b>11/04/2014</b>		460	PURCHASE	16650	0.11
	<b>18/04/2014</b>		-2800	SALE	13850	0.09
	<b>02/05/2014</b>		-700	SALE	13150	0.09
	<b>16/05/2014</b>		-1000	SALE	12150	0.08
	<b>23/05/2014</b>		-1000	SALE	11150	0.08
	<b>13/06/2014</b>		-1700	SALE	9450	0.06
	<b>20/06/2014</b>		-850	SALE	8600	0.06
	<b>30/06/2014</b>		-1200	SALE	7400	0.05
	<b>04/07/2014</b>		-700	SALE	6700	0.05
	<b>11/07/2014</b>		1800	PURCHASE	8500	0.06
	<b>25/07/2014</b>		100	PURCHASE	8600	0.06
	<b>01/08/2014</b>		600	PURCHASE	9200	0.06
	<b>08/08/2014</b>		-500	SALE	8700	0.06
	<b>15/08/2014</b>		-900	SALE	7800	0.05
	<b>22/08/2014</b>		-900	SALE	6900	0.05
	<b>12/09/2014</b>		3000	PURCHASE	9900	0.07
	<b>19/09/2014</b>		-1100	SALE	8800	0.06
	<b>10/10/2014</b>		-2300	SALE	6500	0.04
	<b>13/02/2015</b>		1000	PURCHASE	7500	0.05
	<b>27/03/2015</b>		600	PURCHASE	8100	0.06
	<b>31.03.2015</b>			<b>CLOSING BAL. (D)</b>	<b>8100</b>	0.06

<b>NITIN BHANDARI</b>	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2014	OPENING BAL	2767830				2767830	18.89
				13.06.2014	GIFT TO MOTHER	250000	2517830	17.18
				31.03.2015	CLOSING BAL (E)	2517830		17.18

TOTAL OF SHARES HELD BY PROMOTERS AT THE END OF YEAR =(A+B+C+D+E) = 3474029 (23.71%)



iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of Top 10 Shareholders	Shareholding at the beginning of the year		Cum. Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	ANIRUDH KHEMKA	575000	3.92	380123	2.59
2.	GEETA RADHAKRISHNA DESAI	478356	3.26	478356	3.26
3.	VASUDHA GURUDAS DESAI	441499	3.01	441499	3.01
4.	SHREYAS DINESH SHARMA	351324	2.40	176324	1.20
5.	GURUDAS DESAI	330355	2.25	330355	2.25
6.	RADHAKRISHNA S DESAI	330354	2.25	330354	2.25
7.	ALKA MITTAL	250000	1.71	250000	1.71
8.	RAJEEV MITTAL	250000	1.71	214500	1.46
9.	RAMESH KANJI PATEL	250000	1.71	121461	0.82
10.	HANSA DILIP PATEL	250000	1.71	100000	0.68
11.	ANILA R PATEL	250000	1.71	250000	1.71

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Mg. Director	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. Nitin Bhandari Chairman & Managing Director							
	At the beginning of the year	2767830	18.89					
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)							
	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2014	OPENING BAL	2767830			0	2767830	18.89
				13.06.2014	GIFT TO MOTHER	250000	2517830	17.18
				31.03.2015	CLOSING BAL (E)	2517830		17.18
	<b>Bal. At the end of the year</b>					2517830	17.18	

S. No.	Other Directors	Shareholding at the beginning of the year—NIL/NA*		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
2 to 4	1.Mr. Vikas Nayar- Director 2. Mr. Ashish Thapar- Director 3.Ms. Manmeet Sikka- Director				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	—	—	—	—
	<b>At the end of the year --NIL/NA*</b>	—	—	—	—

\*Except Shri Nitin Bhandari, Mg. Director, none of other directors have bought/sold/owned any shares in the Company during year 2014-15.



**Bhandari Hosiery Exports Limited**  
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S. No.	CFO	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
5.	Mr. Surinder Kumar (Ex-CFO)				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	—	—	—	—
	<b>At the end of the year</b>	—	—	—	—

S. No	Company Secretary	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																																																																																																																																												
6	Mr. Gurinder Singh Makkar (Company Secretary)																																																																																																																																																
	At the beginning of the year	0	0																																																																																																																																														
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Dates	PURCHASES	P. QTY	SALES ON MKT.	QTY	CUM. BAL	%																																																																																																																																											
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08-Jul-14			Sell	1	799	0.01																																																																																																																																											
10-Jul-14	Buy	1260	Sell	2059	0	0																																																																																																																																											
11-Jul-14	Buy	1765	Sell	280	1485	0.01																																																																																																																																											
15-Jul-14			Sell	200	1285	0.01																																																																																																																																											
16-Jul-14	Buy	120	Sell	200	1205	0.01																																																																																																																																											
17-Jul-14			Sell	610	595	0																																																																																																																																											
18-Jul-14			Sell	180	415	0																																																																																																																																											
21-Jul-14			Sell	415	0	0																																																																																																																																											
22-Jul-14	Buy	2350	Sell	1350	1000	0.01																																																																																																																																											
23-Jul-14	Buy	2000	Sell	2000	1000	0.01																																																																																																																																											
24-Jul-14	Buy	2002	Sell	3002	0	0																																																																																																																																											
25-Jul-14	Buy	2375	Sell	2059	316	0																																																																																																																																											
28-Jul-14			Sell	316	0	0																																																																																																																																											
04-Aug-14	Buy	1440	Sell	131	1309	0.01																																																																																																																																											
05-Aug-14			Sell	1300	9	0																																																																																																																																											
19-Aug-14			Sell	9	0	0																																																																																																																																											
	<b>At the end of the year</b>			<b>0</b>	<b>0</b>																																																																																																																																												





<b>V) INDEBTEDNESS</b>				
Indebtedness of the company including interest outstanding /accrued but not due for payment (Amt. in Rs.)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
i) Principal Amount	283233698	9623540	0	292857238
ii) Interest due but not paid	180580	0	0	180580
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	283414278	9623540	0	293037818
<b>Change in Indebtedness During the Financial year</b>				
Addition	171575600	15436000	0	187011600
Reduction	5169218	7040874	0	12210092
<b>Net Change</b>	166406382	8395126	0	174801508
Indebtedness at the end of the financial Year				
i) Principal Amount	447760019	18018666	0	465778685
ii) Interest due but not paid	2060641	0	0	2060641
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	449820660	18018666	0	467839326

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>		
A. Remuneration to Managing Director, Whole-time Director and / or Manager:		(AMT. IN RS.)
Sr. No.	Particulars of Remuneration	Name of Managing Director /Whole - Time Direct MR. NITIN BHNADARI, CHAIRMAN & MG. DIRECTOR
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	1440000/- -- --
2.	Stock Option	--
3.	Sweat Equity	---
4.	Commission - as % of profit - others, specify...	--
5.	Others, please specify	--
	<b>Total (A)</b>	<b>1440000/-</b>
	<b>Overall Ceiling as per the Act</b>	<b>5% of Net Profits or Rs. 8400000/- whichever is higher.</b>



**B. REMUNERATION TO OTHER DIRECTORS:**

Sr No.	Particulars of Remuneration	MR. MANMOHAN SIKKA (RESIGNED W.E.F. 14.02.15)	MR. ASHISH THAPAR	MS. MANMEET SIKKA (APPOINTED W.E.F. 25.03.15)	MR. VIKAS NAYAR	AMOUNT (IN Rs.)
	<b>CATEGORY OF DIRECTOR</b>	<b>INDEPENDENT</b>	<b>INDEPENDENT</b>	<b>INDEPENDENT</b>	<b>NON-EXECUTIVE</b>	
1	Independent Directors					
	1.Fee for attending board / committee meetings	25000	20000	0	N.A.	45000
	2. Commission	NIL	NIL	NIL	NIL	NIL
	3.Others, please specify*	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>25000</b>	<b>20000</b>	<b>0</b>	<b>-</b>	<b>45000</b>
2	Other Non-Executive Directors	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>17500</b>	17500
	1.Fee for attending board / committee meetings	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>17500</b>	17500
	2. Commission	NIL	NIL	NIL	NIL	NIL
	3.Others, please specify*	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>17500</b>	<b>17500</b>
	<b>Total (B)=(1+2)</b>					<b>62500</b>
	<b>Total Managerial Remuneration</b>	<b>(A+B)</b>				<b>1502500</b>
Overall ceiling as per Act		a. 5% of Net Profits or Rs. 8400000 whichever is higher for Mg. Director Remuneration b. 1% for of Net Profits for directors other than Managing/whole time directors (Excluding Sitting Fee)				

\* Please note that the Company pays only sitting fee to Independent and Non Executive Directors.

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER /WTD</b>				
				(Amount in RS.)
Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		MR. GURINDER MAKKAR (Company Secretary)	MR. SURINDER KUMAR (C.F.O)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	418834	534000	952834
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>418834</b>	<b>534000</b>	<b>952834</b>



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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details )
<b>A. COMPANY</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil				
Punishment					
Compounding					



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

*Readers are cautioned that this discussion and analysis contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise. Actual results, performance or achievements and risks and opportunities could differ materially from those expressed or implied in these statements. Readers are cautioned not to place undue reliance on these statements that speak only as of their date. The following discussion and analysis should be read in conjunction with the Company's financial statement included herein and notes thereto.*

### a. INDUSTRY STRUCTURE AND FUTURE OUTLOOK/ DEVELOPMENTS

The Indian Textile Industry is one of the leading textile industries in the world. The textiles and apparels sector is a major contributor to the Indian economy in terms of gross domestic product (GDP), industrial production and the country's total export earnings. India earns about 27 per cent of its total foreign exchange through textile exports. Besides, the Indian Textile industry contributes 14 per cent of the total industrial production of the Country. This sector provides employment to over 35 million people and it is expected that the textile industry will generate new jobs during the ensuing years. The industry went through a challenging year with the global sluggishness in world economies.

India has been able to face the global economic downturn better than most other countries. India's textile industry has a pervasive effect on its economic life. The Indian textile industry uses a large and diverse range of fibres and yarn, however, cotton is its major input material. Therefore, cotton availability and prices are a major determinant of production efficiency and profitability of textile units. Though the global economy seem to be coming out of the crisis, recovery may be unsteady for a while. The Continuous improvement and investment in weaving and processing will help to meet the demand of quality textiles, which will give an edge to the Indian textile industry over competitors. Upgrading technology and infrastructure is an ongoing process and, with the added support of Government bodies it should boost the Indian textile further.

The Textile industry holds a significant position in India by catering to the most basic needs – clothing. The Indian textiles industry is integrated in terms of being extensively engaged in the procurement of raw materials right up to the final production of the actual textile product.

The year 2014-15 had been a year of greater global volatility and uncertainty. The decline in oil prices, adjustments in exchange rate, quantitative easing program of ECB, concerns over Greece, geo-political tension in Middle east etc., as well as concern over economic and political future of Euro area and European Union are some of the factors which were at play. The global growth in 2014 was lower than initially expected and picked up only marginally in 2014, to 2.6%, from 2.5% in 2013. The global economy is struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis, while emerging economies are less dynamic than in the past. World GDP is expected to grow by 3% in 2015 and 3.3% in 2016.

As regards Indian economy, after years of diminutive growth the reform momentum has picked up in India. The Indian economy grew at 7.3 per cent in 2014-15 due to improvement in the performance of both services as well as manufacturing sectors.

In 2014-15, Indian exports fell 1.23 per cent to \$310 billion from the previous financial year, missing the \$340 billion target. But Indian textile and readymade garments sector did well during year 2014-15. As per data of Ministry of Textiles, India's exports of readymade garments jumped 33 per cent from INR 72,592 crore in 2013-14 to INR 96,523 crore in 2014-15. Demand revival in the US and European Union emerging from economic activities picking up in these markets has boosted garment export during the year. Overall Textile and clothing exports in 2014-15 registered a growth at \$41.7 billion as against \$39.3 bn in 2013-14.

As the Indian Government too, has over the last few months taken some action to revive industrial growth, encourage fresh investment and committed to reforms for industry, our economy in the coming years should regain a trajectory of high growth.

#### **Concerns and Threats**

The unfavorable fluctuations in cotton prices and other input costs make it difficult for Indian exporters to compete in the international market. The unfavorable foreign exchange fluctuations and non-availability of skilled workers also are hurdles faced by the exporters including the Company.

We are trying to focus on cost cutting strategies, development of new markets and maintain the quality of our products to satisfy and exceed the expectations of the market and look forward to a better market sentiment for textiles.

The primary raw material is cotton and cotton yarn, which are being sourced from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs, which the industry may not successfully be able to pass on to customers, which in turn



would have an material adverse effect on business. There can be no assurance that the price levels of cotton will remain favorable. Any increase in cotton prices would have a material adverse effect on the industry.

However, the Company has over the years developed considerable expertise in responding to the changes in prices & demand. Due to company's integration & order based pricing, the company is generally able to pass on the increase in raw material prices to its customers.

### **Opportunities**

The good thing about Indian economy and textile industry is that both are more insulated from the effects of world recessions or financial crisis. Around 70 percent of India's garment exports are towards its traditional markets of the US and the EU. However, apparel exporters are currently on the look out for new markets. To reduce dependence on traditional markets like the US and Europe, apparel exporters are exploring new markets in Japan, West Asia, Africa, Middle East and Australia.

Retail boom in India is credited more to domestic consumers and it is not export driven. Internal consumption of India is very strong, compared to China which depends largely on exports, which has the potential danger of turning into a threat. 60 percent of retail sales in India catering to the domestic market, in fact acts as a shield to the Indian retailer at large.

The need is now that the Government should support in terms of higher duty draw back rates to offset cost disadvantages in India. Side by side it should go for a faster formulation and implementation of sound policies for supporting textile sector. It is expected that the Govt. of India will take suitable steps and adopt suitable policies to boost the Indian textile industry. The apparel industry provides employment to about seven million people, out of which almost half of them are engaged in the export sector. Still there are wide opportunities available to Indian industry not only to grow in international markets but also domestically.

The Government proposes to increase the investment in this sector to generate more employment through various schemes viz. Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS), Integrated Skill Development Scheme (ISDS), Technology Mission on Technical Textiles (TMTT).

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017

### **b. COMPANY'S GROWTH PROSPECTS AND NEAR TERM OUTLOOK**

Although the growth momentum of the Indian economy was impacted with the global economic slowdown, the severity of the impact on India was considerably less when compared to most developed economies. The fiscal and monetary policies implemented by the Government of India helped the economy to weather the downturn phase.

The future seems to be good for the Indian Textile Industry both at domestic and international levels as India is still maintaining itself as an attractive destination for retail industry and foreign investments. While it is not possible to fully escape the impact of the global uncertainties, the Indian economy is better placed than many to withstand the shock.

During the year under review, the business and economic environment in India and other emerging countries remained challenging. The GDP growth rate dipped below 5%, amongst the lowest levels in a decade. The year witnessed several volatile events like significant depreciation of the rupee, burgeoning current account deficit, weakening and uncertain demand, elevated inflation and interest rates all of which lead to declining business confidence.

Despite challenging global and Indian scenario, the Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2014-15, the Company was able to achieve turnover of Rs. 12496.50 Lacs as against Rs. 11153.09 Lacs in the previous year, showing an increase of 12.05% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2015 has been Rs. 219.11 Lacs as against Rs. 197.67 Lacs in the previous year showing an increase of 10.85% over the previous. The Exports of the Company for the financial year ended 31.03.2015 were to the tune of Rs. 1390.49 Lacs as against Rs. 1714.67 Lacs in the previous year.

During the year 2014-15, the Company came up with and completed its modernization and expansion of dyeing and fabric division by setting up new Boiler, imported dyeing Machines, imported stenter and open width compacter, Weft Straightener water softening plant, DM Plant, Thermic Fluid Boiler and other fabric division machines and utilities. The Company is now planning yarn dyeing and setting up of a unit for manufacturing of sewing/stitching thread. The company is planning to widen its markets both at domestic levels and at international levels. The long term prospects of the company are good along the growth path.



**c. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:**

The financial results of the Company during the year are as under:

(RS. IN LACS)

PARTICULARS	2014-15	2013-14
Turnover	12496.50	11153.09
GROSS PROFIT before interest depreciation and tax	802.70	811.94
Less: Financial expenses	376.64	413.62
Less: Depreciation and preliminary exp. written off	126.52	119.56
PROFIT BEFORE TAX	299.54	278.76
Less: Provision for tax	-80.43	81.09
PROFIT AFTER TAX	219.11	197.67
Add: Balance brought forward	1633.59	1435.92
Amount available for appropriation(s)	1852.70	1633.59
Appropriation:		
-Proposed Dividend on Equity shares @ Rs. 0.10/- per Equity Share (i.e. 1%)	14.65	-
-Tax on dividend @ 20.358%	2.983	-
Balance carried to Balance Sheet	1835.06	1633.59

**TURNOVER AND PROFITS**

Despite challenging global and Indian scenario, the Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2014-15, the Company was able to achieve turnover of Rs. 12496.50 Lacs as against Rs. 11153.09 Lacs in the previous year, showing an increase of 12.05% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2015 has been Rs. 219.11 Lacs as against Rs. 197.67 Lacs in the previous year showing an increase of 10.85% over the previous. The Exports of the Company for the financial year ended 31.03.2015 were to the tune of Rs. 1390.49 Lacs as against Rs. 1714.67 Lacs in the previous year.

**d. INTERNAL CONTROL SYSTEMS**

The Company has evolved a system of internal controls to ensure that the assets are safeguarded and transactions are authorised, recorded and correctly reported. The internal control system is supplemented by management reviews and independent periodical reviews by the outside chartered accountancy firms which evaluate the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational methods and, as a minimum, ensures compliance with specified standards with regard to availability and suitability of policies and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The reports of internal audit are placed before Audit Committee of the Directors. Audit Committee reviews such audit findings and the adequacy of internal control systems. The Statutory Auditors and the Internal Auditors of the Company also interact with the Audit Committee to share their findings and the status of corrective actions under implementation.

**e. DEVELOPMENTS ON HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The year under review has seen changes in the policies and procedures to make the organization high performing and successful. The Company has always valued its human resources and believes in optimum potential of each employee. During the period under review, the industrial relations were cordial without any disruptions of manufacturing activities. Additional appointments were made and annual increments were granted to salaries of employees during the period under review. As on 31<sup>st</sup> March, 2015, the Company had 234 employees on rolls.

**f. RISKS, THREATS AND RISK MANAGEMENT**

Your Company faces general risks inherent in any business including political, legal, geographical, economical, environmental and competition risks and takes appropriate steps to mitigate them and reduce their impact to the extent possible. The exports of the company are subject to set legal procedures and Govt.



Rules, approvals and regulations and any change in them may affect the business of the Company. Raw material prices also affect the financial performance of the company.

### **RISKS AND THREATS**

The opening of the international markets has thrown a host of opportunities with unique set of challenges. Today we can take justifiable pride in having joined the ranks of the US\$ trillion economies of the world. The change being witnessed can be attributed to several factors including increasing purchasing power of the masses, shifts in the buying behavior, demography dynamics, and growing urbanisation, opening up of the retail segment to private and foreign players and changing trends/lifestyle. Investments in the textile sector have increased significantly over the last three to four years.

The Indian textile sector faces a number of challenges, foremost being fluctuating cotton and raw material prices, infrastructure and inflexible labour laws. Inflow into India of spurious fabric material, counterfeit, fake and misleading selvedge descriptions continues. However, recognizing the threat these spurious imports poses, if continued unchecked, the government has taken a number of steps to check the inflow of such products.

International players are seeking manufacturers with vertically integrated product development facilities and ability for managing quality and costs. Though India is being recognized in this regard and sourcing of value-added products from India is increasing, China continues to be a dominant player in the market with better infrastructure facilities. With its currency in an advantageous position, China is a stronger competitor in exports as well as in the domestic market. The Company is experiencing pressure on margins due to severe competition from other low-cost countries.

Textile being a labour intensive industry, rising labor and skilled human resource costs can put pressure on margins. In order to take advantage of quota-free era, textile and apparel industry require huge investments in infrastructure and also Government's support by various incentives, relaxation and promotions etc, to improve efficiencies and productivity and reduce costs.

### **g. OPPORTUNITIES AVAILABLE TO THE COMPANY**

The Indian Textile industry is expected to get momentum in the coming times. The Company is committed to increase its productivity and bring overall modernization in the manufacturing process. The Company has already made expansion and modernization in dyeing and fabrics units and now planning for setting up of yarn dyeing and is also side by side considering manufacture of allied products in the textile sector .

### **h. SUBSIDIARY**

There is no Subsidiary of the Company.

### **i. SEGMENT WISE PERFORMANCE**

The operations of the Company comprise of only one segment i.e. Textile Manufacturing, therefore the whole position as depicted are in respect of the said segment. In respect of other commercial disclosures, the Notes on Accounts and the Schedules are self explanatory and can be referred to.

### **j. RISK MANAGEMENT POLICY IMPLEMENTATION**

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your company has identified the following risks:

Key Risk	Impact to Bhandari Hosiery Exports Limited	Mitigation Plans
Commodity Price Risk	Risk of price fluctuation on basic raw materials like cotton, yarn, Chemicals, power as well as finished goods used in the process of manufacturing	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment – slow growth in global economy	Impact on demand and realization of Exports of garments	Garments wear by its very nature is not effected by slow downs/recessions.



Interest Rate Risk	Any increase in interest rate can affect the finance cost	Dependence on debt is kept optimum.
Foreign Exchange Risk	Your company exports the products to USA and other European countries. Any volatility in the currency market can impact the overall profitability	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company	By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place production incentives on time bound basis and evaluating the performance at each stage of work. We do not anticipate any major issue for the coming five years.
Competition Risk	Your company is always exposed to competition Risk from Asian Countries like Sri Lanka, China, Taiwan, and other African Countries. The increase in competition can create pressure on margins, market share etc	By continuous efforts to enhance the brand image of the Company by focusing on modernization, quality, Cost, timely delivery and customer service. By introducing new product range commensurate with demands your company plans to mitigate the risks so involved.
Compliance Risk – Increasing regulatory requirements	Any default can attract penal provisions	By regularly monitoring and review of changes in regulatory framework. By monitoring of compliance through legal compliance Management tools and regular internal audits.
Industrial safety and employee's health and safety risk.	The Garmenting industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc	By development and implementation of critical safety standards across the various departments. The Company has also maintained WRAP, BSCI, C-TPAT Certifications by complying to various safety and health norms.





## CORPORATE GOVERNANCE REPORT

The Company aims to be an exporter of variety of knitted garments. Despite the tough competition in hosiery/textile industry, the Company has been making its continuous efforts to increase its sales and profitability by manufacturing good quality and variety of products. The Company is committed to increase long term shareholders' value through its efforts and emphasis upon governance process. The Company is committed to manage business effectively in compliance with the legal requirements and best practices in governance. There is harmonious and transparent functioning amongst Board of Directors, its committees and executive management to meet the challenges. This section is given in compliance of the mandatory Clauses on Corporate Governance of the Listing Agreement and also depicts the process of functioning of the Company.

### **1. COMPANY'S PHILOSOPHY**

- Production of good quality and variety products in line with the fashion, requirements, tastes and demand.
- Global orientation.
- Accepting change as a way of life.
- Believing individual potential and valuing humanity.
- Total customer focus in operational areas.
- Apprehending our role as a responsible corporate citizen.

### **2. BOARD OF DIRECTORS**

(i) **COMPOSITION:** At present, the Board of Directors of the Company consists of 4 Directors .One is Executive Chairman cum Mg. Director. Two are Independent Directors including one Women Director and last one is Non-Executive Director. The Composition of the Board is as per stipulated requirements.

(ii) **BOARD MEETINGS:** During the financial year 2014-15, the Board met 6 times on 30.05.2014, 14.08.2014, 27.08.2014, 13.11.2014, 14.02.2015 and 25.03.2015. Following is the composition of the Board, attendance and other memberships of the directors of the Company:

Name of Director	Designation	Category	No. of B.M. Attended	Attendance At last AGM	No. of Chairmanship/membership on the Board of other Public Companies	No. of Chairmanship/membership on the Committees of other Public Companies	Remarks
Shri Nitin Bhandari	Chairman and Mg. Director	Promoter Director	6	Yes	NIL	NIL	
Shri Ashish Thapar	Director	Non Executive and Independent Director	3	No	NIL	NIL	
Shri Vikas Nayyar	Director	Non Executive Director	6	Yes	NIL	NIL	
Shri ManMohan Sikka (Resigned on 14.02.2015)	Director	Non Executive and Independent Director	5	Yes	1 Membership	1 Membership	(Resigned on 14.02.2015)
Ms. Manmeet Sikka (Appointed on 25.03.15)	Additional Director /Woman Director	Non Executive and Independent Director	0	Yes	NIL	NIL NIL	(Appointed on 25.03.15)

There are no Nominees or institutional Directors on the Board of Directors of the Company as on date.

As required under Section 149(3) of the Companies Act, 2013, Ms. Manmeet Sikka was appointed as Woman/ Additional/Independent Director on the Board during year 2014-15. She is proposed to be re-appointed as an Independent Woman Director at ensuing Annual General Meeting.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.



**Information of Directors including those being Appointed/Re-appointed**

Particulars of Directors seeking appointment/re-appointment are given in the Annexure annexed to the Notice for the ensuing Annual General Meeting.

**Brief Profile of Directors:**

<b>NAME OF DIRECTOR</b>	MS. MANMEET SIKKA (INDEPENDENT DIRECTOR)	MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)	SH. ASHISH THAPAR (INDEPENDENT DIRECTOR)	SH. VIKAS NAYAR (NON-EXECUTIVE DIRECTOR)
<b>DIN</b>	07135079	01385065	00077281	00071047
<b>DATE OF BIRTH</b>	09.10.1975	24.08.1983	28.08.1952	11.10.1973
<b>DATE OF APPOINTMENT</b>	25.03.2015	23.11.2009	29.03.2003	29.10.2004
<b>QUALIFICATION</b>	B. TECH. (TEXTILES), Post Graduate Diploma in Computer Aided Textile designing (CATD)	MBA in Entrepreneurial Management from European Business School, London, U.K.	B.COM	GRADUATION
<b>SHAREHOLDING IN THE COMPANY</b>	NIL	2517830 (17.18%)	NIL	NIL
<b>RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY</b>	NIL	NIL	NIL	NIL
<b>DIRECTORSHIP/CHAIRMANSHIP IN OTHER PUBLIC COMPANIES</b>	NONE	NONE	NIL	NIL
<b>MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES</b>	NIL	NIL	NIL	NIL
<b>EXPERTISE</b>	Ms. Manmeet Sikka aged about 40 years is Bachelors in Textiles and also a Post Graduate Diploma in Computer Aided Textile designing (CATD). She Has around 18 years of experience in garments and textile segment and she has expertise in Overseeing fulfillment of export orders, sourcing of goods from domestic and international markets, merchandising, sampling, costing and fixing production parameters.	Mr. Nitin Bhandari aged 32 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has developed vast experience in the fields of Finance, production management, merchandising, setting up of new textiles projects, their modernization and expansion, viability, liaison with foreign and domestic buyers, marketing, cost & wastage control etc.	Mr. Ashish Thapar, aged about 63 years has a lot of experience in the fields of Manufacture and export of readymade garments. He is well versed with the Knitting and embroidery business, Merchandising functions and planning of the Financial Resources for garment units.	Mr. Vikas Nayyar has the exposure and experience of around 14 years of Knitting, Hosiery and Embroidery business, fund planning and resources maintenance. He has developed vast experience in the fields of merchandising, optimizing costing and reducing wastage, Retailing, Domestic Markets and contributed a lot to the growth of the company.



### **INFORMATION AVAILABLE TO BOARD**

The Board has complete access to all the relevant information within the Company, and to all our employees. The information regularly supplied to the Board specifically includes:

- Annual operating plans, budgets and any updates therein;
- Capital budgets and any updates therein;
- Quarterly results for the Company and its operating / business segments;
- Minutes of meetings of Audit Committee and other committees of the Board of the Company
- Information on recruitment/remuneration of senior officers just below board level;
- Material show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company.
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme etc;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Status of compliance of any regulatory, statutory nature or listing requirements and shareholders service;
- All proposals requiring strategic decisions;
- Regular business updates.

The above information is generally provided as part of the agenda papers of the board meeting and/or is placed at the table during the course of the meeting.

### **BOARD PROCEDURE**

The annual calendar of Board Meetings is the beginning of the financial year. The Agenda is circulated in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary.

### **PERFORMANCE EVALUATION:**

In compliance with the provisions of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### **INDEPENDENT DIRECTORS' MEETING:**

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Clause 49 (II)(B)(6) of the listing agreement with the stock exchange, the Independent Directors met on 13.11.2014 inter alia, to discuss:

- (a) Evaluation of the performance of non- Independent Directors and the Board as a whole;
- (b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Evaluation of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

### **CODE OF CONDUCT:**

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel.

In terms of the requirements of Clause 49 of the Listing Agreement, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company,. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2015 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.



## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company As required under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct To Regulate, Monitor and Report Trading By Insiders and Code of Practices and Procedures For Fair Disclosure of Unpublished Price Sensitive Information. All Directors, insiders and designated persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code

## DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31<sup>st</sup> March, 2015. A declaration to that effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

## 3. COMMITTEES OF THE BOARD

### (i) Audit Committee:

During the year 2014-15, the Audit Committee was re-constituted w.e.f. 30.05.2014, in accordance with the applicable provisions of Companies Act, 2013 and Listing Agreement with BSE. After resignation of Shri Manmohan Sikka, Independent Director, the Audit Committee was again re-constituted on 25.03.2015. At present the Audit Committee consists of 3 directors as under:

- |                        |   |   |
|------------------------|---|---|
| 1. Shri Ashish Thapar  | - | Chairman (Non-Executive and independent Director) |
| 2. Ms. Manmeet Sikka   | - | Member (Non-Executive and independent Director)   |
| 3. Shri Nitin Bhandari | - | Member (Executive Director)                       |

The Company Secretary is secretary to this Committee.

All the financial statements of the company are first reviewed by the Audit Committee before presentation to the Board of Directors. Audit committee discusses the reports of Statutory Auditors, Internal Audits as well as Cost Auditors of the company. The appointment of Statutory and Cost Auditors are recommended by the Audit Committee. Audit Committee also reviews the company's financial and risk management policies, management discussion and analysis of financial condition, results of operations and statement of significant related party transactions at periodic basis.

The Audit Committee met five times during the financial year 2014-15, on 30.05.2014, 14.08.2014, 27.08.2014, 13.11.2014 and 14.02.2015. The Meetings were attended to by all the respective members.

### (ii) Stakeholders Relationship Committee

W.e.f. 30.05.2014, a new Committee named Stakeholders Relationship Committee had been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder, the composition of which also complies with the Listing Agreement of BSE. The new Committee consisted of Shri Vikas Nayar (Chairman), Shri Manmohan Sikka and Shri Nitin Bhandari as the Members. After resignation of Shri Manmohan Sikka, Ms. Manmeet Sikka was appointed to this Committee in place. The present constitution of the same is as under:

- |                        |   |  |
|------------------------|---|--|
| 1. Shri Vikas Nayar    | - | Chairman (Non-Executive Director)      |
| 2. Shri Nitin Bhandari | - | Member (Executive Director)            |
| 3. Ms. Manmeet Sikka   | - | Member (Non-Executive and independent) |

The Company Secretary of the Company is Secretary of this Committee and is the Compliance Officer of the Company. During the year 2014-15, the Stakeholders Relationship Committee met 5 times on 10.06.2014, 14.08.2014, 13.11.2014, 14.02.2015 and 25.03.2015 at which all the Members were present.

During the financial year, the Company had not received any complaint from Shareholders of the Company. The Company's complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2014-15. The Company has designated Email Address exclusively for redressal of investors Complaints i.e. investor@bhandariexport.com and the same is also mentioned at the Company's Website.

### (iii) Nomination and Remuneration Committee -

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted the "Nomination and Remuneration Committee" on 30.05.2014. At present, the Nomination and Remuneration Committee consists of the following members:

- |                        |   |  |
|------------------------|---|--|
| 1. Ms. Manmeet Sikka   | - | Chairman/ Non Executive & Independent Director |
| 2. Shri Ashish Thapar  | - | Member/ Non Executive & Independent Director   |
| 3. Shri Vikas Nayar    | - | Member/ Non Executive Director                 |
| 4. Shri Nitin Bhandari | - | Member   |

During year 2014-15, two Meetings of Nomination and Remuneration Committee were held on 30.05.2014 and 13.11.2014 which were attended to by all the respective Members.

The objectives of constituting of Nomination and Remuneration Committee are as follow:



1. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. The Nomination and Remuneration Committee shall, while formulating the above policy shall ensure that—
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **4. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

##### **I. POLICY**

###### **A. NON EXECUTIVE DIRECTORS -CRITERIA OF SELECTION**

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

###### **REMUNERATION OF NON EXECUTIVE DIRECTORS:**

The Non Executive Independent Directors shall be entitled to receive remuneration by way of sitting fees, and Non Executive Directors shall be entitled to reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

- i. A Non Executive Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

###### **B. MANAGING DIRECTOR - CRITERIA FOR SELECTION /APPOINTMENT**

For the purpose of selection of the MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

###### **Remuneration for Managing Director**

- i. At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
  - a. the relationship of remuneration and performance benchmarks is clear;
  - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c. responsibility required to be shouldered by Managing Director, the industry benchmarks and the current trends;
  - d. the Company's performance vis-à-vis the annual budget achievement and individual performance.



### Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration including annual increment is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance.

### 5. TERMS OF APPOINTMENT & REMUNERATION –Managing Director

Mr. Nitin Bhandari was appointed as Chairman cum Managing Director of the Company by Board of Directors of the Company in its Meeting held on 23.11.2009 for a period of 5 years w.e.f. 23.11.2009. The present term of Shri Nitin Bhandari expired on 22.11.2014. Keeping in view the efforts made by Mr. Nitin Bhandari towards the growth of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 13.11.2014 had approved the re-appointment of Mr. Nitin Bhandari as Chairman & Managing Director and CEO of the Company, for a period of 3 (three) years with effect from 22.11.2014 at existing consolidated monthly remuneration of Rs. 1,20,000/- per month, subject to the approval of Members of the Company at general Meeting.

The tenure of office of the Managing Director is for 3 years from his date of appointment and can be terminated by either party by giving six months notice in writing. There is no separate provision for payment of severance fees.

### II. REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors are given in Form MGT – 9

### 6. DISCLOSURES

#### A. Related Party Transactions

During the year 2014-15, the Company has entered into following transactions with related parties, in ordinary course of business and at arm's length basis:

Nature of Transactions	Key Management Personnel having relation with Related Party	Enterprises over which KMP is able to exercise significant influence	Total (Amt. in Rs.) 2014-15
(1)	(2)	(3)	(4)
Purchase of Goods/Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	4704725
Purchase of Goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	701588
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	14732838
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	146440
Rent Received	Nitin Bhandari and his Relatives	Bhandari Knit Exports	180000

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of the business of the Company. All related party transactions are placed before the Audit Committee of the Board of Directors for its approval. Prior omnibus approval of the Audit Committee of the Board of Directors is obtained for the transactions, which are of foreseen and repetitive nature. A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the Audit Committee of the Board of Directors for its review on a quarterly basis. The policy on Related Party Transactions as approved by the Board is hosted on the Company's website. During the year under reference, no Material Related Party Transactions, were entered in terms of the proviso to revised Clause 49 VII C of the Listing Agreement.

#### B. Compliances by the Company

- a) During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on matters related to capital markets.
- b) Company has not denied any personnel, access to Audit Committee for informing unethical or improper practice.
- c) Company has complied with all the mandatory requirements of corporate governance.

#### C. Disclosure of relationship between Directors inter-se:

None of the Director is related to each other.

#### D. Disclosure of shares/ convertible instruments held by Non- Executive Directors as on 31.03.2015

##### a. SHARES

1. Shri Ashish Thapar	Nil
2. Shri Vikas Nayyar	Nil
3. Shri Manmohan Sikka	Nil



**b. CONVERTIBLE INSTRUMENTS**

There are no outstanding convertible Instruments as at 31.03.2015.

**E. Disclosure as to Public/ Rights/Preferential Issues/Bonus Issue etc.**

During the financial year 2014-15, there was no public/rights/preferential or bonus issue of the securities.

**7. CODE OF CONDUCT**

The Company had adopted the Code of Conduct for all the Board members and senior management personnel. Further all the Board members and senior management personnel (as per Clause 49 of the listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

**8. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The Mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.bhandariexport.com](http://www.bhandariexport.com). We affirm that during the financial year 2014-15, no employee was denied access to the Audit Committee.

**9. COMPLIANCE WITH CODE OF CONDUCT**

The Company has adopted a "Code of Conduct for Directors and Senior Management Personnel". The Directors and Senior Management Personnel have given an Annual Affirmation during the year 2014-15, to this Code. The said Code has also been placed by the Company on its website i.e. [www.bhandariexport.com](http://www.bhandariexport.com)

**10. GENERAL BODY MEETINGS:**

(i) Details of last three Annual General Meetings (AGMs) is as follows:

Meeting	Day	Date	Time	Venue	No. of Special Resolutions
21 <sup>st</sup> AGM	Friday	29.09.2014	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	3
20 <sup>th</sup> AGM	Friday	27.09.2013	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	4
19 <sup>th</sup> AGM	Monday	28.09.2012	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	NIL

(ii) No Extra Ordinary General Meetings were held during the Financial year 2014-15.

(iii) Number of resolutions passed through postal ballot during the financial year 2014-15 was Two.

During the year under review, the Company through Postal Ballot (including e-voting) under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, passed following resolutions:

1. Special Resolution under Section 180(1) (c) of the Companies Act, 2013 authorizing the Board of Directors to exercise borrowing powers of the Company.
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors to mortgage and/ or create any charge on immovable and /or movable properties of the Company.

The resolution were passed with requisite majority on date of its declaration i.e. September 08, 2014.

The Company had appointed M/s Rajeev Bhambri & Associates, Ludhiana, Practicing Company Secretaries as 'Scrutinizer' for conducting the postal ballot process. Ballot Forms/e-votes received up to closure of 5:00 p.m., on September 05, 2014 had been considered. The voting pattern of the same was as under:

RESOLUTIONS	TOTAL MEMBERS VOTED	TOTAL NO. OF VOTES	INVALID VOTES	VALID VOTES	VALID VOTES IN FAVOUR	% IN FAVOUR	VALID VOTES AGAINST	% AGAINST
under Section 180(1) (c)	38	4763171	1620	4761551	4760281	99.97	1270	0.03
under Section 180(1)(a)	38	4763171	1620	4761551	4760281	99.97	1270	0.03

The resolutions were passed with requisite majority on date of declaration of results made on September 08, 2014 at the Registered Office of the Company.

(iv) At the ensuing Annual General Meeting, there is no resolution which is proposed to be passed by postal ballot.



### 11. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(IX) of the Listing Agreement, for the year ended 31<sup>st</sup> March, 2015.

### 12. MEANS OF COMMUNICATION:

The Company communicates with the shareholders through its Annual Reports, Publication of quarterly Results, press releases and reports and returns filed with Stock Exchanges and Registrar of Companies etc. All information including business updates, product, process, financials such as Annual Reports, Quarterly results, Shareholding Pattern, different codes are also available on the Company's Website i.e www.bhandariexport.com and information about it is also given in the Annual Reports and publications made by the Company.

### 13. GENERAL SHAREHOLDERS INFORMATION:

#### A. 22<sup>nd</sup> ANNUAL GENERAL MEETING

**DATE** 29.09.2015  
**TIME** 9.00 A.M.  
**DAY** Tuesday  
**VENUE** Regd.Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana- 141007

#### B. FINANCIAL CALENDAR 2015-16 (TENTATIVE)

FIRST QUARTER RESULTS : MIDDLE OF AUGUST, 2015  
SECOND QUARTER RESULTS : MIDDLE OF NOVEMBER, 2015  
THIRD QUARTER RESULTS : MIDDLE OF FEBRUARY, 2016  
FOURTH QUARTER RESULTS AND YEARLY : MIDDLE OF MAY, 2016  
ANNUAL ACCOUNTS/NOTICE : AUGUST, 2016

- C. 1. BOOK CLOSURE DATES : 23.09.2015 TO 29.09.2015 (BOTH DAYS INCLUSIVE)**  
**2. CUT OFF DATE : 22.09.2015**

#### D. FINAL DIVIDEND PAYMENT DATE :

Dividend, if any, declared in the next AGM will be paid on or after 29<sup>th</sup> September, 2015 but before the statutory time limit of 30 days from the date of declaration.

**E. LISTING:** The Securities of the Company are listed only on **BSE LIMITED (BSE)**, Feroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

**BSE SCRIP CODE: 512608 ISIN: INE 474E01011**

The Company has duly paid the Listing fees to the aforesaid Stock Exchange upto Financial Year 2015-16.

#### F. STOCK MARKET DATA

The month wise highest, lowest and closing stock prices vis a vis BSE Sensex during the financial year 2014-15 are given below:

BHANDARI HOSIERY EXPORTS LIMITED				BSE SENSEX		
MONTH	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
	(Rs.)	(Rs.)	(Rs.)	(Points)	(Points)	(Points)
Apr-14	46.4	39.9	41.95	22939.31	22197.51	22417.8
May-14	44.85	36.7	41.15	25375.63	22277.04	24217.34
Jun-14	51.2	40	49.45	25725.12	24270.2	25413.78
Jul-14	64.6	47.5	50.85	26300.17	24892	25894.97
Aug-14	54	47.5	49.35	26674.38	25232.82	26638.11
Sep-14	52	40	43.15	27354.99	26220.49	26630.51
Oct-14	44.85	33	41.75	27894.32	25910.77	27865.83
Nov-14	47.5	38.55	40.35	28822.37	27739.56	28693.99
Dec-14	44	34	38.65	28809.64	26469.42	27499.42
Jan-15	38.4	28.3	31.4	29844.16	26776.12	29182.95
Feb-15	32.9	26.25	28.45	29560.32	28044.49	29361.5
Mar-15	33.95	24	30.2	30024.74	27248.45	27957.49





**G. REGISTRAR AND SHARE TRANSFER AGENT :**

In accordance with the Circular of Securities and Exchange Board of India (SEBI), the work of physical share transfer of the Company is with M/S **LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591.** Electronic Mode i.e de-materialization of shares is already done through them. Thus activities of share transfer and de-mat are at single point with them. The ISIN of the Company is : ISIN INE 474E01011. The shares of the Company are traded compulsorily in Demat form on Bombay Stock Exchange Ltd. and the Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

**H. SHARE TRANSFER SYSTEM:**

**LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591,** are the RTAs of the Company to handle both physical and demat of shares activities. Physical Share Transfers are normally completed/replied within 15 days by RTAs .

**I. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2015**

RANGE OF SHARES (Nos.)	NO. OF HOLDERS	%OF HOLDERS	NO. OF SHARES	% OF SHARES
Upto 500	4195	86.30	634213	4.33
501 to 1000	215	4.42	168548	1.15
1001 to 2000	145	2.98	217053	1.48
2001 to 3000	60	1.23	157467	1.08
3001 to 4000	30	0.62	108773	0.74
4001 to 5000	33	0.68	159274	1.08
5001 to 10000	63	1.30	514409	3.51
10001 and above	120	2.47	12692958	86.63
Total	4861	100.000	14652695	100.000

**J. COMPLIANCE WITH MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT**

The Company has fully complied with the applicable mandatory requirements of clause 49 of the Listing Agreement.

**K. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2015**

CATEGORY	NO. OF SHARES	% OF SHAREHOLDING
<b>Promoters/ Promoters Group</b>	3474029	23.71
<b>Mutual Funds</b>	0	0
<b>Banks, FIs, Etc.</b>	0	0
<b>Foreign Institutional Investors / Foreign Mutual Funds</b>	155000	1.06
<b>Private Corporate Bodies</b>	1939055	13.23
<b>Non Resident Indians</b>	148608	1.01
<b>Foreign Corporate Bodies</b>	200000	1.36
<b>Indian Public</b>	8714695	59.49
<b>Clearing Members</b>	21308	0.14
<b>GRAND TOTAL</b>	<b>14652695</b>	<b>100</b>

**L. SHAREHOLDING OF DIRECTORS AS ON 31.03.2015**

The shareholding of the all the Directors in the Equity Share Capital of the Company is given as follows:

<b>Name of Directors</b>	<b>Number of Shares held as on 31.03.2015</b>
Mr. Nitin Bhandari	2517830 (17.18%)
Ms. Manmeet Sikka	NIL
Mr. Vikas Nayar	NIL
Mr. Ashish Thapar	NIL



**M. DEMATERIALISATION OF SHARES:**

As on 31.03.2015 approx. 96.76% shares comprising 14178620 equity shares were dematerialized.

**N. COMPLIANCE OFFICER :**

Shri Gurinder Makkar, Company Secretary, Phones +91-88720-16410, Fax 0161-2690394.  
Email: bhandari@bhandariexport.com; investor@bhandariexport.com

**O. CEO & MG. DIRECTOR:**

Shri Nitin Bhandari, Chairman cum Mg. Director, Phones +91-88720-16410, Fax 0161-2690394

**P. CHIEF FINANCIAL OFFICER (CFO):** Shri Manoj Kumar, Phones 88720-16410.

**Q. DESIGNATED EMAIL ID FOR INVESTORS:** **investor@bhandariexport.com**

**R. GREEN INITIATIVE**

The Ministry of Corporate Affairs has taken the Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative. Your Company appeals to you, its shareholders, who are yet to register your E-mail addresses that you take necessary steps for registering the same so that you can also become a part of the initiative and contribute towards a Greener environment.

**S. UNCLAIMED DIVIDENDS**

The Company had declared Interim Dividend in the year 2006-07. The unencashed dividend amount lying unclaimed to the credit of the said Unpaid Dividend Account 2006-07 became due for transfer to the Investor Education and Protection Fund in April, 2014. The company has accordingly transferred all amounts of unencashed dividend amount remaining unclaimed and due for transfer to the Investor Education and Protection Fund. There are no amounts of dividend now requiring transfer to Investor Education and Protection Fund

**T. OUTSTANDING GDRS/ADRS/WARRANTS**

The company has not issued GDRs/ ADRs/Warrants as of March 31, 2015.

**U. PLANT LOCATIONS:**

Bhandari House, Village Meharban, Rahon Road, Ludhiana- 141007.

**V. ADDRESS FOR CORRESPONDENCE:**

REGD. OFFICE : BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007  
PHONES : 88720-16410, FAX : 0161- 2690394; EMAIL : bhandari@bhandariexport.com

**X. CORPORATE IDENTITY NUMBER (CIN):**

Our Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is L17115PB1993PLC013930.

**NOTE: The shareholders in respect of dematerialized shares should address correspondence to their respective Depository Participants (DPs)**



**CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

We, Nitin Bhandari, Chairman and Managing Director and Manoj Kumar, Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) Significant changes in the internal control over financial reporting during the year;
  - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ludhiana  
Date: 10.08.2015

Sd/-  
**Nitin Bhandari**  
Chairman & Managing Director/(CEO)

Sd/-  
**Manoj Kumar**  
CFO

**Declaration Regarding Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2015.

Sd/-

Place: Ludhiana  
Date: 14.08.2015

**Nitin Bhandari**  
Chairman & Managing Director/(CEO)  
LUDHIANA (PUNJAB)

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENTS.**

TO

THE MEMBERS  
BHANDARI HOSIERY EXPORTS LIMITED

We have examined the compliance of the conditions of Corporate Governance by M/s Bhandari Hosiery Exports Limited for the year ended on March 31, 2015 as required in clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the 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 based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as required under Clause 49 of the listing agreements. Further, we state that no investors' grievances are pending for a month which are unreplied/unredressed as per records.

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

For VIPAN KUMAR AGGARWAL & CO.  
(CHARTERED ACCOUNTANTS)

Sd/-  
(VIPAN AGGARWAL)  
PROPRIETOR  
MEMBERSHIP NO. 081198

PLACE : LUDHIANA  
DATED : 10.08.2015



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of  
M/s Bhandari Hosiery Exports Limited**

### **1. Report on the Financial Statements**

We have audited the accompanying Financial Statements of Bhandari Hosiery Exports Limited ('the Company') which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **2. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Standards on Auditing issued by the Institute of Chartered Accountants of India and 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 there under. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015
- b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter-**

We draw attention to the fact that the financial statements of the Company for the year ended March 31, 2015 were earlier approved by the Board of Directors at its meeting held on May 29, 2015. The financial statements of the Company were audited by us and our report dated May 29, 2015, addressed to the members of the Company, expressed an opinion on those financial statements. However upon observing some arithmetical errors in calculation of depreciation and some other expenses in the Audited Financial Statements and to recommend payment of dividend for the financial year 2014-15, the Board of Directors reconsidered and approved the Financial Statements in its meeting held on July 22, 2015.



**5. Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 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 purpose 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, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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), 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements,
    - ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Vipin Kumar Aggarwal & Co.,  
(Chartered Accountants)

Sd/-

**(Vipin Aggarwal)**

(Prop.)

Membership No. 081198

Place : Ludhiana.

Date : 22.07.2015



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under section (Report on Other Legal and Regulatory Requirements, of our report of even date)

- 1.1. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 2.1. The inventories have been physically verified at reasonable intervals by the management.
- 2.2. 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.
- 2.3. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on such physical verification.
3. As informed to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a) and (b) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 The company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- 7.2 According to the information and explanations given to us, no undisputed amount is payable in respect 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 as at March 31, 2015. . An amount of Rs. 397265.00 on account of Income Tax has not been deposited due to appeals pending before the Appellate Authorities
- 7.3 In our opinion and according to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder have been transferred to such fund within time,
8. The Company has no accumulated losses at the end of the financial year under audit. The company has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
9. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, where the terms and conditions are prejudicial to the interest of the Company.
11. According to the information and explanations given to us, the term loans have been applied for the purpose for which they have been obtained.
12. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year of our audit.

For Vipin Kumar Aggarwal & Co.,  
(Chartered Accountants)

Place : Ludhiana.  
Date : 22.07.2015

**(Vipin Aggarwal)**  
(Prop.)  
Membership No. 081198



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

PARTICULARS	NOTE	AS AT 31.03.2015 (Rs.)	AS AT 31.03.2014 (Rs.)	
Corporation information	1			
Accounting policies	2			
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
a) Share Capital	3	146,526,950	146,526,950	
b) Reserves & Surplus	4	368,286,771	348,139,608	
<b>Sub Total</b>		<b>514,813,721</b>	<b>494,666,558</b>	
<b>2. Non-Current Liabilities</b>				
a) Long Term Borrowings	5	168,553,782	27,900,038	
b) Deferred Tax Liability	6	24,207,158	22,157,158	
<b>Sub Total</b>		<b>192,760,940</b>	<b>50,057,196</b>	
<b>3. Current Liabilities</b>				
a) Short Term Borrowings	5	299,285,544	265,136,645	
b) Trade Payables	7	128,415,601	57,159,365	
c) Other Liabilities	8	10,718,619	7,624,384	
d) Short Term Provisions	9	9,221,354	8,573,840	
<b>Sub Total</b>		<b>447,641,118</b>	<b>338,494,234</b>	
<b>Total</b>		<b>1,155,215,779</b>	<b>883,217,988</b>	
<b>II. ASSETS</b>				
<b>1. Non-Current Assets</b>				
<b>a) Fixed Assets</b>				
i) Tangible assets	10	435,020,490	204,344,439	
ii) Intangible assets	10	156,233	166,729	
iii) Capital Work-in-Progress	10	547,200	94,317,821	
<b>Sub Total</b>		<b>435,723,923</b>	<b>298,828,989</b>	
b) Non-current investments		-	-	
c) Long term loans and advances		-	-	
d) Other non-current assets		-	-	
<b>2. Current Assets</b>				
a) Inventories	11	454,297,046	356,228,150	
b) Trade Receivables	12	193,848,050	150,685,598	
c) Cash & Bank Balances	13	4,698,115	10,095,277	
d) Short Terms Loans & Advances	14	2,224,293	6,514,599	
e) Other Current Assets	15	64,424,352	60,865,375	
<b>Sub Total</b>		<b>719,491,855</b>	<b>584,388,999</b>	
<b>Total</b>		<b>1,155,215,779</b>	<b>883,217,988</b>	
<b>Summary of Significant Accounting Policies</b>	2			
<b>The accompanying Notes referred to above form an integral part of the Financial Statements.</b>				
<b>As per our Report of even date</b>				
For Vipan Kumar Aggarwal & Co. FRN : 007245N Chartered Accountants				
Sd/- (Vipan Kumar Aggarwal ) Proprietor Membership No. 081198 Place : Ludhiana Date : 22.07.2015	Sd/- (Manoj Kumar) Chief Financial Officer	Sd/- (Gurinder Makkar ) Company Secretary	Sd/- (Vikas Nayar) Director DIN:00071047	Sd/- (Nitin Bhandari) Mg. Director DIN : 01385065



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2015**

SR.	PARTICULARS	NOTE	F.Y. ENDED 31.03.2015	F.Y. ENDED 31.03.2014
I	<b>Revenue</b>			
	Revenue from Operations	16	1,248,917,297	1,114,547,558
II	Other Income	17	732,432	762,234
III	<b>Total Revenue</b>		<b>1,249,649,729</b>	<b>1,115,309,792</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	18	1,039,837,014	823,255,668
	Changes in inventory of finished goods , work in process stock in trade	19	-42,087,710	7,952,805
	Employees Benefit Expenses	20	48,454,860	49,487,160
	Finance cost	21	37,664,295	41,362,496
	Depreciation expense	10	12,652,069	11,955,722
	Other Expenses	22	123,175,384	153,420,219
	<b>Total Expenses</b>		<b>1,219,695,913</b>	<b>1,087,434,070</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		29,953,817	27,875,722
VI	Exceptional items		0	0
VII	Profit before extraordinary items and tax (V - VI)		29,953,817	27,875,722
VIII	Extraordinary Items		NIL	NIL
IX	<b>Profit before tax (VII-VIII)</b>		<b>29,953,817</b>	<b>27,875,722</b>
X	<b>Tax Expenses</b>			
	Current Income Tax		5,993,085	7,109,140
	Deferred Tax		2,050,000	1,908,600
	Wealth Tax		0	6,720
	Excess(short) Provisions income tax of earlier years		0	915,917
XI	<b>Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>21,910,732</b>	<b>19,767,179</b>
XII	<b>Profit/(Loss) for the period from discontinuing operations (IX-X)</b>		<b>NIL</b>	<b>NIL</b>
XIII	Profit/(Loss) for the year		21,910,732	19,767,179
XIV	Surplus carried over to Balance Sheet		21,910,732	19,767,179
XV	Net Profit available for Equity Shareholders		21,910,732	19,767,179
	Number of equity shares		14652695	14652695
XVI	<b>Basic Earning per Share of Rs. 10/- each</b>	23	1.50	1.35
	<b>Diluted Earning per Share of Rs. 10/- each/Weighted Avg.</b>	23	1.50	1.35
	<b>Summary of Significant Accounting Policies</b>	2		

The accompanying Notes referred to above form an integral part of the Financial Statements.  
As per our Report of even date

For Vipin Kumar Aggarwal & Co.  
FRN : 007245N  
Chartered Accountants

Sd/-  
(Vipin Kumar Aggarwal )  
Proprietor  
Membership No. 081198  
Place : Ludhiana  
Date : 22.07.2015

Sd/-  
(Manoj Kumar)  
Chief Financial Officer

Sd/-  
(Gurinder Makkar )  
Company Secretary

Sd/-  
(Vikas Nayar)  
Director  
DIN:00071047

Sd/-  
(Nitin Bhandari)  
Mg. Director  
DIN : 01385065





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

**NOTE1- CORPORATE INFORMATION**

Bhandari Hosiery Exports Limited is a public limited Company incorporated under the provisions of Companies Act, 1956. The Company's CIN is L17115PB1993PLC013930 and the Company's Registered Office is situated in Punjab at Bhandari House, Village Meharban, Rahon Road, Ludhiana. The Company is listed at Bombay Stock Exchange Limited (BSE). The Company does not have any subsidiary Company. The Company is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 18 year experience and state of that art manufacturing facilities, Bhandari Hosiery manufactures garments of leading international and overseas brands and some overseas retail chains..in the international market, we have a presence in around 18 countries including quality conscious markets like USA,, Canada,, UK and European Uniion..

The company is engaged primarily in the manufacture and export of knitted hosiery garments such as T- Shirts,, Pull Overs,, Sweat Shirts,, Bermudas,, Pollo Shirts,, Track Suits,, Payajamas,, Lowers,, Ladies Knitted Tops with embroidery and prints etc. The Company conform to International standards in Human Recourses Practices and adopt Eco- friendly standards in production.

**NOTE 2-ACCOUNTING POLICIES**

**2.1 ACCOUNTING POLICIES**

**(a) Basis of Accounting :**

The accounts of the Company are prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013 .

**(b) Basis of Preparation of Financial Statements**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The company has reclassified the previous year figures in accordance with the requirements applicable in the current year wherever required..

**(c) Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

**(d) Revenue Recognition:**

- (i) Sale is recognized on dispatch of goods and returns if any made by the parties.
- (ii) Claims and Benefits: Insurance and other claims are accounted for to the extent realized, as the ultimate collection thereof is uncertain at the time of raising the claim.
- (iii) Opening Stock, Purchases, Sales and Closing stock are stated at net value excluding VAT. Any amount payable/ receivable towards VAT is shown in the Balance Sheet under the head Current Liabilities/ Current Assets.

**(e) Retirement Benefits:**

<b>a.</b>	Short term benefits	Short term employee benefit are charged off at the undiscounted amount in the year in which the related service is rendered.
<b>b.</b>	Long term post retirement	Post retirement benefits comprise of Provident fund and gratuity which are accounted for as follows:
<b>i</b>	Provident fund	This is a defined contribution plan , and contributions made to the fund are charged to revenue. The company has no further obligation for future provident fund benefits other than monthly contribution.
<b>ii</b>	Gratuity fund	This is a defined benefit plan . The liability of the company is determined based on the actuarial valuation using projected unit credit method . Actuarial gains and losses are recognized in full in the Statement of profit and loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as per Actuarial Valuation.
<b>iii</b>	Leave with wages	Provisions for leave with wages are made on the basis of leave accrued to the employee during the year.

**(f) Fixed Assets:**

Fixed Assets are stated at historical cost less accumulated depreciation. The company has capitalized all costs relating to acquisition and installation of fixed assets including interest during construction periods and trail run



expenses. During the year, borrowing costs amounting to Rs. 11746060/- is capitalized under the head Plant and Machinery..

**(g) Depreciation:**

Depreciation is systematically allocated over the useful life of an asset as specified in Schedule II of Companies Act, 2013.

**(h) Inventories:**

Stores and spares and raw material are valued at Cost.

Semi Finished Goods are valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever, is less.

Finished goods are valued at cost or net realizable value, whichever is less. Cost includes materials, direct labour and allocable overheads.

**(i) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**(j) Foreign Currency Conversion/Translation**

(i) The export sales are converted at the exchange rates prevailing on the date of custom clearance of export bills. The fluctuations in the exchange rates are accounted for as and when the payment is received and the amount is credited/ debited to the respective Sale Account.

(ii) In respect of export bills remaining unrealized at the year end against which the payments received in the subsequent years the difference arising thereon is recognized as difference in exchange rates under the head misc. income/expenses.

(iii) The total sales are inclusive of export incentives and rebate & discounts received and Rebate of Rs. 574716/- (Previous Year Rs. 15745033/-) has been shown separately under Other Expenses in Statement of Profit and Loss.

**2.2 Contingent Liabilities not provided for**

(Rs. In Lacs)

Sr.	Particulars	As at 31.03.2015	As at 31.03.2014
(a)	Letter of Credit outstanding	68.00	98.15
(b)	Bank Guarantee Outstanding	2.00	2.00
(c)	Bill discounting with bank against irrevocable Foreign Letter of Credit	262.77	169.53

**Following cases are lying pending in appeal against different appellate authorities.**

Nature of the case	Authority	Period	Amount (in lacs)	Status
Income tax Assessment	CIT Appeal	A Y 2004-05	8.33	Pending
Income tax Assessment	CIT Appeal	A Y 2008-09	2.96	Pending

**2.3 (a)** Sales tax/ VAT liability has been provided for as per the return filed. According to our view there is no other liability in addition to the liability provided but in case any additional liability arises at the time of assessment, the same shall be provided at that time.

**(b)** Provision for Income Tax has been made in the Statement of Profit & Loss on the basis of actual tax liability under MAT as per the Income Tax Act, 1961.

**2.4 Legal cases by and against Company**

There are no legal cases pending or initiated against the Company. Following cases were filed by the Company against some parties and are pending:

Sr. No. / Plaintiff	Name of the Complaint	Court of JMIC	Nature of Proceedings	Status
1.	BHANDARI HOSIERY V/s Sharda Logistics	Hon'ble Deepali Gupta	U/S 138 of N.I.A	P.O. declared
2.	BHANDARI HOSIERY V/s Avtar Singh	Vipindeep Kaur	U/S 138 of N.I.A	P.O. declared
3.	BHANDARI HOSIERY V/s SRS Exports ( Ravneek Uppal)	Yukti Goel	U/S 138 of N.I.A	P.O. declared
4.	BHANDARI HOSIERY V/s Ambika Traders ( Kanti Gupta)	Tarunesh Kumar	Civil Suit	Pending before Appellate Authority
5.	BHANDARI HOSIERY V/s Raj Kumar	Deepali Gupta	U/S 138 of N.I.A	P.O. Declared
6.	BHANDARI HOSIERY V/s Sunil Kumar	Balwant Singh	U/S 138 of N.I.A	P.O. Declared
7.	BHANDARI HOSIERY VS. UNICORN CORPORATION	RAHUL KUMAR	U/S 138 of N.I.A	Written Statement

**2.5** Interest on FDRs is accounted for on accrual basis and the same has been accounted for under the head other Income. Other Income also includes Rent Received.



**2.6 Impairment of Assets:-** An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment losses, if any, are recognized in accordance with the Accounting Standard 28 issued in this regard by The Institute of Chartered Accountants of India.

No material Impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standards (AS 28) issued by the Institute of Chartered Accountants of India.

**2.7** Party's balances (under Debtors, Creditors and Advances) as at the year end are subject to confirmation.

However Company has a perpetual system of reconciling the accounts with its suppliers & customers during the year.

**2.8** In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet.

**2.9 Segment Reporting**

The Company is mainly engaged in the business of manufacturing of textiles consisting of fabric and garments. Considering the nature of the business and financial reporting of the company, the company has only one segment viz Garments as reportable segment. The company operates in domestic and export segment geographically. The sales for both is separately given. But due to the nature of business the assets / liabilities and expenses for these activities can not be bifurcated separately. Domestic Sales consist sales made in different parts of India. Export Sales consist exports made to Germany, Switzerland, USA, U.K., Netherland,, Dubai and other countries of European Union (EU). The Export sales and Domestic sales are as under:

Particulars	2014-15 ( Rs )	2013-14 ( Rs )
Export sales	139049183	171467065
Domestic sales	1109868115	943080493
<b>Total</b>	<b>1248917297</b>	<b>1114547558</b>

**2.10 Investments**

Particulars	2014-15	2013-14
Investment in shares , etc.	Nil	Nil

**2.11 Deferred Tax Liability**

As per requirements of the Accounting standard -22, the company has created deferred tax liability for the year of Rs. **6787800/-** (previous year 1908600/- ) which consists of the following:

PARTICULARS	At the beginning of the Year	Charged during the year	At the close of year
Timing Difference on account of			
-Depreciation	22157158	2050000	24207158
-Others	0	0	0
<b>-Net Deferred Tax Liability</b>	<b>22157158</b>	<b>2050000</b>	<b>24207158</b>

**2.12 Micro, Small and Medium Industries:-**

In accordance with the Notification No.GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro ,Small and Medium Enterprises as defined under the Micro ,Small and Medium Development Act, 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these Financial Statement. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

**2.13 Related Party Disclosure**

Detail of disclosures as required by Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as under: -

A. Related parties with whom transactions have taken place during the year 2014-15.

a. Key Managerial Personnel:

1. Shri Nitin Bhandari, Mg. Director      2. Shri Surinder Kumar, CFO      3. Shri Gurinder Makkar, Company Secretary

b. Relatives of Key Managerial Personnel

1. Shri Naresh Bhandari (Father of Shri Nitin Bhandari, Mg. Director )    2. Ms. Kusum Bhandari (Mother of Shri Nitin Bhandari, Mg. Director)    3. Ms. Aditi Bhandari (Wife of Shri Nitin Bhandari, Mg. Director)    4. Ms. Nitika Bhandari (sister of Shri Nitin Bhandari , Mg. Director)    4. Ms. Pushpinder Kaur (Wife of Mr. Gurinder Makkar, Company Secretary)



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

Nature of Transactions	Total Amount (in Rs.) 2014-15	Total Amount (in Rs.) 2013-14
Remuneration / Salary paid to Key Managerial Personnel	23,92,834	23,94,000
Remuneration / Salary paid to Relatives of Key Managerial Personnel being employees	35,87,166	35,25,000

B. Enterprise owned or significantly influenced by key management personnel or their relatives:

1. Bhandari Knit Exports 2. Miracle Clothing Company 3. TBD Trading Company 4. Life Style Garments

**Transactions with Related Parties:**

Nature of Transactions	Key Management Personnel having relation with Related Party	Enterprises over which KMP is able to exercise significant influence	Total (Amt. in Rs.) 2014-15	Total (Amt. in Rs.) 2013-14
(1)	(2)	(3)	(4)	(5)
Purchase of Goods/Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	4704725	108848093
Purchase of Goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	701588	5719124
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	14732838	203825991
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	146440	5468672
Rent Received	Nitin Bhandari and his Relatives	Bhandari Knit Exports	180000	-

Others- Subsidiary Company/ Holding Company/ joint Ventures- NIL/Not Applicable.

All the transactions with related parties have been made in ordinary course of business and at arm's length basis.

**2.14 Leases**

There are no such rental/ lease agreements entered into by the Company which require disclosure under AS-19.

**2.15 Additional information**

a) Value of Imports Calculated on C.I.F. Basis	31.03.2015 (RS.)	31.03.2014 (RS.)
(i) Raw Materail	Nil	Nil
(ii) Stores, Spares, Needles, Labels, Packing Material, Leather goods etc.	4246620	8289897
(iii) Capital goods	146616220	-
<b>b) Expenditure in Foreign Currency</b>		
(a) Travelling and Conveyance	2211268	1060333
(b) Quality claim, rebate & discount etc.	1004318	194968
<b>c) Foreign Exchange Earnings</b>		
(a) FOB Value of Exports	124950983	160315997

**d) The Value of Consumption of Raw Materials and Stores**

Particulars	Year ended	Raw Material	%	stores	%
	31st March				
a) Imported	2015	NIL	NIL	4246620	38.80
b) Indigenous	2015	1039837014	100	6699144	61.20
a) Imported	2014	NIL	NIL	8289897	37.47
b) Indigenous	2014	823255668	100	13833714	62.53

**2.16** Previous year's figures have been recast/ regrouped wherever necessary to make them comparable with the current year's figures.

**2.17** Note 1 to 23 form an integral part of the financial statement.

For Vipan Kumar Aggarwal & Co.

FRN : 007245N

Chartered Accountants

Sd/-  
(Vipan Kumar Aggarwal)  
Proprietor  
Membership No. 081198  
Place : Ludhiana  
Date : 22.07.2015

Sd/-  
(Manoj Kumar)  
Chief Financial Officer

Sd/-  
(Gurinder Makkar)  
Company Secretary

Sd/-  
(Vikas Nayar)  
Director  
DIN:00071047

Sd/-  
(Nitin Bhandari)  
Mg. Director  
DIN : 01385065



**NOTE 3- SHARE CAPITAL**

PARTICULARS	AS AT 31.03.2015 (Rs.)	AS AT 31.03.2014 (Rs.)
<b>SHARE CAPITAL</b>		
<b>a) Authorised Capital</b> 2,50,00,000 equity shares of Rs. 10/- each (Previous Year 25000000 equity shares of Rs. 10/- each)	<b>250,000,000</b>	250,000,000
<b>b) Issued Share Capital</b> 14,652,695 equity shares of Rs. 10/- each (fully paid up) (Previous Year 14,652,695 equity shares of Rs. 10/- each fully paid up)	<b>146,526,950</b>	146,526,950
<b>c) Subscribed &amp; Paid up Capital</b> 14,652,695 equity shares of Rs 10/-each(fully paid up) (Previous Year 14,652,695 equity shares of Rs. 10/- each fully paid up)	<b>146,526,950</b>	146,526,950
(i) The Company has one class of equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share.		
(ii) The Board of Directors have proposed a dividend of Rs. 0.10/- per Equity Share of face value of Rs.10/- each (i.e. @ 1%, subject to approval of the shareholders at the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2015 amounted Rs. 1,763,570/- comprising of Rs. 1,465,270 as dividend and Rs. 298,300/- as dividend distribution tax.		

**c) Reconciliation of shares outstanding at the beginning and at the end of the reporting periods**

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the period	14,652,695	146,526,950	14,652,695	146,526,950
Add: Shares Issued during the year	NIL	NIL	NIL	NIL
Less: Shares bought back during the year	NIL	NIL	NIL	NIL
Add: Other movements during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the period	14,652,695	146,526,950	14,652,695	146,526,950

**d) Shares held by each share holder holding more than 5% share in the company**

Name of Shareholder	31.03.2015		31.03.2014	
	No of Share	% of Holding	No of Share	% of Holding
1. NITIN BHANDARI	25,17,830	17.18	2,767,830	18.89
2. NITIKA BHANDARI	6,93,681	4.73	6,97,711	4.76

**e) Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.**

Particulars	Year (Aggregate No. of Shares)					
	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>EQUITY SHARES:</b>						
Opening Balance as a beginning of year	14,652,695	14,652,695	10,065,195	10,065,195	7,455,700	7,455,700
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	2,609,495	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL
Rights issue/FPO/Preferential issue/ Conversion of Warrants/ any other	NIL	NIL	4,587,500	NIL	NIL	NIL
<b>TOTAL/BAL. AT CLOSE OF YEAR</b>	<b>14,652,695</b>	<b>14,652,695</b>	<b>14,652,695</b>	10,065,195	<b>10,065,195</b>	<b>7,455,700</b>
<b>PREFERENCE SHARES**:</b>						
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL/BAL. AT CLOSE OF YEAR</b>	NIL	NIL	NIL	NIL	NIL	NIL

\*\* The company's Share Capital consists of Fully Paid Equity Share only and there are no Preference Shares or other type of capital.

\*\*\* 45,87,500 Equity shares were issued as fully paid up shares of Rs. 10/- each at a price of Rs. 44/- per equity share pursuant to Preferential allotment to persons of public, during the year 2012-13.

\*\*\*\* There are no outstanding warrants/securities convertible into equity shares as at 31<sup>st</sup> March 2015

**f) Terms/rights attached to equity shares.**

The company has only one class of equity shares having face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. 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 of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the



Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

g) Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates—NIL/N.A.

#### **NOTE-4 RESERVE & SURPLUS**

<b>NOTE 4- RESERVE &amp; SURPLUS</b>	<b>31.03.2015 (RS.)</b>	<b>31.03.2014 (RS.)</b>
<b>a) Share Premium Reserves</b>		
Opening balance	<b>155,975,000</b>	
Addition during the year ( Preferential allotment of 4587500 shares at premium of Rs 34 per share in year 2013-14)	-	155,975,000
Less utilized for issue of bonus shares	-	-
Sub total	<b>155,975,000</b>	155,975,000
<b>b) General Reserve</b>		
Opening Balance	<b>28,805,050</b>	28,805,050
Less utilized for issue of bonus shares	-	-
Sub Total	<b>28,805,050</b>	28,805,050
<b>c) Surplus in Profit &amp; Loss Account</b>		
Opening Balance of Profits	<b>163,359,558</b>	143,592,379
Add : Profit for the year	<b>21,910,732</b>	19,767,179
Less : Proposed Dividend on Equity Shares	<b>(1,465,270)</b>	-
Less : Dividend Distribution Tax	<b>(298,300)</b>	-
Sub Total	<b>183,506,721</b>	163,359,558
<b>G. TOTAL</b>	<b>368,286,771</b>	348,139,608

#### **NOTE-5 LONG TERM AND SHORT TERM BORROWINGS**

##### **LONG TERM BORROWINGS: SECURED LOANS:**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
<b>TERM LOANS</b>		
a. S.B.I. Term Loan A/C No. 31416133417	-	497,032
b. S.B.I. Term Loan A/C No. 34001402481	<b>150,766,901</b>	-
Total (a)	<b>150,766,901</b>	497,032

##### **Terms of repayment of Term Loans**

a.S.B.I. Term Loan A/C No-31416133417 at point a) above is repayable in 60 installments of Rs. 1.50 Lacs per month. Rate of interest is 12.25% p.a. There is no default in repayment of term loan and interest. The account has been paid in full during current FY 2014-15

b.S.B.I. Term Loan A/C No-34001402481 at point b) above is repayable in 66 installments of. First 18 instalments of Rs.22.00 lacs, next 12 installments of Rs.24.00 lacs, next 24 installments of Rs.25.00 lacs , next 11 installments of Rs.29.00 lacs and last installment of Rs.31 lacs only. Rate of interest is 14.75% p.a. The repayment of loan will start from October 2015 on wards. Interest is paid regularly.

##### **Security given to the bank**

\* For term loans ( a & b of note 5 ) the first charge on the fixed assets is given to the lending bank . Second charge on current assets has been given to lending bank on pari passu basis

\*\* All the credit facilities are guaranteed by personal gurantee of the Managing Director . Term loans at s no a & b are also collaterally secured by Equitable mortgage of land and building of Bhandari Knit Exports

##### **FINANCIAL LEASE HIRE CHARGES OBLIGATIONS**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
c. Axis Bank	<b>13,361,316</b>	17,780,601
d. HDFC Vehicle loan	<b>1,842,899</b>	-
e. Kotak Mahindra Bank Ltd.	<b>1,596,302</b>	6,002,339
f. Tata Capital Financial Services Ltd	<b>407,582</b>	1,740,027
g. Magma Fincorp Ltd	<b>578,782</b>	1,880,039
<b>Total (b)</b>	<b>17,786,881</b>	27,403,006
<b>Total (a+b)</b>	<b>168,553,782</b>	27,900,038

Car loans are secured by way of hypothecation of respective cars to the respective banks. & personal guarantee of the Managing Director.



**SHORT TERM BORROWINGS :**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
<b>Working Capital Limits.</b>		
h. S.B.I E.P.C & SLC	50,557,849	77,532,309
i. S.B.I. CCA 30729399785	228,085,762	177,789,336
j. LC Payable	5,205,933	9,815,000
k. Unsecured Loans from Director	15,436,000	-
<b>Total (c)</b>	<b>299,285,544</b>	<b>265,136,645</b>
<b>GRAND TOTAL (a+b+c)</b>	<b>467,839,326</b>	<b>293,533,715</b>

**Security provided to the banks, Financial institutions**

Working capital limits ( h,i,j of note-5) are secured by first charge on all stocks consisting of Raw material, Work in process, finished goods, stores & spares, goods with fabricators, goods in transit, stock lying on docks, book debts and all other current assets of the company both present & future. Extension of charge on the entire fixed assets of the company also given to the lending bank .. All the credit facilities are guaranteed by personal guarantee of the Managing Director. Working limits (h, i, j ) are also collaterally secured by Equitable mortgage of land & Building of M/s Bhandari Knit Exports.

-CC and EPC Limits are repayable on demand. Rate of interest payable on these limits is 12.75% p.a. There is no default in repayments of the amounts and interest thereon.

-SLC limit is repayable on demand. Rate of interest payable is 12.75% p.a. There is no default in repayments of the amounts and interest thereon

**NOTE-6 DEFERRED TAX LIABILITY**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
Deferred Tax Liability ( See note 2.10 also)		
Opening Balance	22,157,158	20,248,558
Add:-Provision for the year	2,050,000	1,908,600
<b>Total</b>	<b>24,207,158</b>	<b>22,157,158</b>

**NOTE 7- TRADE PAYABLES**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
Creditors for capital goods	4,542,300	-
Trade payables	123,873,301	57,159,365
<b>Total</b>	<b>128,415,601</b>	<b>57,159,365</b>

**NOTE-8- OTHER LAIBILITIES**

	<b>31.03.2015</b>	<b>31.03.2014</b>
Unpaid dividend ( See Note 13 also )	-	222,488
Statutory dues	1,044,276	432,907
Other payables	5,608,027	5,550,778
Cheques issued but not yet presented	1,856,226	-
Advances from customers	2,210,090	1,418,211
	<b>10,718,619</b>	<b>7,624,384</b>

**NOTE 9- PROVISIONS**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
Provision for Gratuity	1,464,700	1,464,700
Provision of Income Tax	5,993,085	7,109,140
Provision for Dividend & Dividend distribution tax	1,763,569	-
<b>Total</b>	<b>9,221,354</b>	<b>8,573,840</b>



**NOTE -10- FIXED ASSETS /DEPRECIATION**

(Amount in Rs.)

NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2014	ADDITIONS DURING THE YEAR	SALE/TRF. DURING YEAR	GROSS BLOCK AS AT 31.03.2015	DEPRICIATI ON UP TO 01.04.2014	DEPRICI ATION WRITTE N BACK	DEPRICIATI ON FOR THE YR.	DEPRICIATI ON UP TO 31.03.2015	NET BLOCK	NET BLOCK
									AS AT 31.03.2015	AS AT 31.03.2014
<b>(I) TANGIBLE ASSETS</b>										
FREE HOLD LAND	3732500	0	0	3732500	0	0	0	0	3732500	3732500
BUILDING & SITE DEVELOPMENT	157585207	9121103	0	166706310	20339034	0	5280355	25619389	141086921	137246173
TEMPORARY FITTING	916131			916131	565620		27759	593379	322752	350511
PLANT & MACHINERY	94239834	234829101	5189500	323879435	47299030	1979936	5156996	50476090	273403345	46940804
FURNITURE & FIXTURE	6432601	0	0	6432601	3416181		430150	3846331	2586270	3016420
OFFICE EQUIPMENT	2217707	0	0	2217707	959687	0	105342	1065029	1152678	1258020
ELECTRIC FITTING & EQUIPMENT	16316708	33381	0	16350089	7870820	0	600515	8471335	7878754	8445888
CAR	10233175	2543608	0	12776783	7450015	0	942110	8392125	4384658	2783160
VEHICLES	1154945	0	0	1154945	583986	0	98346	682332	472613	570959
<b>TOTAL</b>	<b>292828808</b>	<b>246527192</b>	<b>5189500</b>	<b>534166500</b>	<b>88484373</b>	<b>1979936</b>	<b>12641573</b>	<b>99146010</b>	<b>435020490</b>	<b>204344435</b>
<b>INTEGIBLE ASSETS</b>	220958	0	0	220958	54229	0	10496	64725	156233	166729
CAPITAL WORK IN PROGRESS. I	93470000	0	93470000	0	0		0		0	93470000
CAPITAL WORK IN PROGRESS. II	847821	129459038	130306859	0	0				0	847821
CAPITAL WORK IN PROGRESS. III	40000	507200	0	547200	0				547200	40000
<b>TOTAL</b>	<b>387407587</b>	<b>376493430</b>	<b>228966359</b>	<b>534934658</b>	<b>88538602</b>	<b>1979936</b>	<b>12652069</b>	<b>99210735</b>	<b>435723923</b>	<b>298868985</b>
PREVIOUS YEAR	414236964	3915463	30784837	387367590	76736257	153377	11955722	88538602	298828988	337500707

Note: During the year, borrowing costs amounting to Rs. 11746060/- is capitalized under the head Plant and Machinery.

**NOTE-11-INVENTORIES**

PARTICULARS	AS AT 31.03.2015 (RS.)	AS AT 31.03.2014 (RS.)
<b>(Valued at Cost or net realizable value, whichever is lower as certified by the Management of the Company)</b>		
-Stores and Spares( At cost )	27,654,950	5,014,950
-Raw Materials ( At cost )	85,274,166	51,932,980
-Finished Goods & wastage ( At cost or net realizable value whichever is lower)	108,783,194	196,964,562
- Work-in-Progress( At estimated cost)	232,584,736	102,315,658
	<b>454,297,046</b>	356,228,150

**Inventories: Method of Valuation**

Store and spares and raw material are valued at cost. Semi Finished Goods are Valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever, is less.

Finished Goods are Valued at cost or net realizable value, whichever, is less. Cost includes materials, direct labour and allocable overheads.

**NOTE-12-TRADE RECEIVABLES**

a) Debts out standing for a period exceeding six month from the date they are due for payment	31.03.2015 (Rs.)	31.03.2014 (Rs.)
<b>(Unsecured, Considered Goods unless otherwise stated)</b>		
-Domestic	40,806,630	5,253,304
-Foreign	0	0
<b>Total</b>	<b>40,806,630</b>	<b>5,253,304</b>
b) Others		
-Domestic	155,194,607	138,098,610
- Foreign	25,223,927	24,286,574
<b>Total</b>	<b>180,418,534</b>	<b>162,385,184</b>
Less Provision for bad & doubtful debts	1,100,000	0
Less Negotiated from Bank	26,277,114	16,952,890
<b>G. Total</b>	<b>193,848,050</b>	<b>150,685,598</b>





**NOTE-13-CASH & BANK BALANCES**

PARTICULARS	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Cash in hand	391,303	2,065,512
Cheques deposited but not clear	1,597,870	0
Balance with scheduled banks	840,635	4,972,194
Bank Deposit with original Maturity of More than 3 months and up to 12 months.	1,868,306	2,834,629
*Dividend account (Unpaid Dividend Account)	-	222,942
<b>TOTAL</b>	<b>4,698,115</b>	<b>10,095,277</b>

**\*Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

During the year 2014-15, the Company has transferred the whole amounts of unpaid/unclaimed dividend for the year 2006-07, to the Investor Education and Protection Fund.

**NOTE-14-LOANS & ADVANCES**

PARTICULARS	31.03.2015 (RS.)	31.03.2014 (RS.)
<b>( Unsecured, Considered Good unless otherwise stated )</b>		
a) Advances recoverable in cash or kind or value to be received	429,024	4,941,749
Less:-Provision for unrecoverable Receivables	-	-
<b>Sub Total</b>	<b>429,024</b>	<b>4,941,749</b>
b) Securities and Deposits	1,795,269	1,572,850
<b>TOTAL</b>	<b>2,224,293</b>	<b>6,514,599</b>

**NOTE 15- OTHER CURRENT ASSETS**

<u>Other Current Assets</u>	31.03.2015 (Rs.)	31.03.2014 (Rs.)
VAT Refund Receivable	7,674,648	6,643,533
Investment Proceeds Realizable	-	630,000
Export Incentive Receivables	4,266,919	3,296,103
Advance Income Tax A.Y.2008-09	200,000	200,000
Income Tax A.Y. .2004-2005	833,829	833,829
Income Tax A.Y. 2014-15	1,076,186	-
Income Tax for earlier years	3,221,953	4,488,600
Advance To Employees	12,000	-
Advances To Suppliers For Capital Goods	915,270	535,000
Advances To Suppliers	46,223,547	44,238,310
<b>TOTAL</b>	<b>64,424,352</b>	<b>60,865,375</b>

**NOTE-16- REVENUE FROM OPERATIONS**

PARTICULARS	31.03.2015 (RS.)	31.03.2014 (RS.)
<b>Turnover</b>		
Sales -Export	139,049,183	171,467,065
Sales-Domestic	1,109,868,115	943,080,493
	<b>1,248,917,297</b>	<b>1,114,547,558</b>

**NOTE-17- OTHER INCOME**

PARTICULARS	31.03.2015 (RS.)	31.03.2014 (RS.)
<b>Other Income</b>		
Misc. Income	732,432	762,234
	<b>732,432</b>	<b>762,234</b>



**NOTE-18-COST OF MATERIALS CONSUMED**

<b>PARTICULARS</b>	<b>31.03.2015 (RS.)</b>	<b>31.03.2014 (RS.)</b>
<b>Material Consumed</b>		
Opening stock of Raw materials	51,932,981	33,809,630
Purchase of raw materials	235,603,570	202,843,046
<b>Sub Total</b>	<b>287,536,551</b>	<b>236,652,676</b>
Less: Closing stock of raw materials	85,274,166	51,932,980
Material Consumed	202,262,385	184,719,696
Add: Purchase of finished and semi-finished goods	837,574,629	638,535,972
<b>G Total</b>	<b>1,039,837,014</b>	<b>823,255,668</b>

**NOTE-19- CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

<b>Increase(-)/Decrease (+) in stock</b>	<b>31.03.2015 (RS.)</b>	<b>31.03.2014 (RS)</b>
Closing stock of WIP	232,584,736	102,315,658
Closing stock of finished goods	108,783,194	196,964,562
<b>Sub Total (a)</b>	<b>341,367,930</b>	<b>299,280,220</b>
<b>Less:</b>		
Opening stock of Work-in-Process	102,315,658	141,492,190
Opening Stock of Finished Goods	196,964,562	165,740,835
<b>Sub Total (b)</b>	<b>299,280,220</b>	<b>307,233,025</b>
<b>Increase(-)/Decrease (+) in stock (b-a)</b>	<b>(42,087,710)</b>	<b>7,952,805</b>

**NOTE 20- EMPLOYEE BENEFIT EXPENSES**

<b>PARTICULARS</b>	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
Mg. Director's Remuneration	1,440,000	1,440,000
Wages	25,462,072	22,704,790
Salary	17,827,702	20,066,980
Contribution. to PF, ESI etc.	2,487,297	1,637,352
Worker's Welfare, Bonus, gratuity ,LWW, L.T.C. etc.	1,237,789	3,638,038
<b>Total</b>	<b>48,454,860</b>	<b>49,487,160</b>

**Retirement Benefits:**

a) Short Term Benefits

Short Term employee benefit are charged off at the undiscounted amount in the year in which the related service is rendered.

b) Long Term Post retirement and

Post retirement benefit comprise of provident fund gratuity which are accounted for as follows.

i) Provident Fund

This is defined contribution plan and contribution made to the fund are charged to revenue. The company has no further obligation for the future provident fund benefits other than monthly contribution.

ii) Gratuity Fund

This is defined contribution plan. The liability of the company is determined based on the actuarial valuation using projected unit credit method. Actual gain and losses are recognized in full to the Statement of profit & loss for the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the benefit obligation as per Actuarial Valuation.

iii) Leave with Wages

Provision for the leave with wages in made on the basis of leave accrued to the employees.



**NOTE-21 FINANCE COSTS**

<b>PARTICULARS</b>	<b>31.03.2015 (RS.)</b>	<b>31.03.2014 (RS.)</b>
<b>FINANCIAL EXPENSES</b>		
Bank Charges & Commission	4,463,772	3,120,844
Loss of Forward contract booking	-	4,177,554
Bank Interest	33,200,523	34,064,098
<b>Total</b>	<b>37,664,295</b>	<b>41,362,496</b>

<b>NOTE -22 OTHER EXPENSES</b>		
	<b>31.03.2015 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
<b>Manufacturing Expenses</b>		
Consumables	10,945,764	22,123,611
Dyeing & Finishing	46,724,397	46,853,244
Testing & Sampling	1,043,415	852,161
Knitting Charges / Fabrication Charges	8,375,433	13,339,766
Power & Fuel	26,635,788	21,413,453
<b>Auditors Remuneration</b>		
-As Auditors-Audit Fees	111,236	90,124
-For Taxation matters-Tax Audit Fees	-	11,000
-For Other Services	-	-
<b>OTHER OFFICE &amp; ADMINISTRATIVE EXPENSES:</b>		
<b>Repair &amp; Maintenance</b>		
- Building	101,560	399,752
- Electric	334,274	743,220
- General	556,142	622,193
- Machinery	1,327,368	3,487,080
- Vehicle	579,617	630,102
Telephone & Telex	452,165	530,355
Printing & Stationery	1,570,012	994,566
Insurance Charges	824,289	740,631
<b>Traveling &amp; Conveyance</b>		
-Directors (Foreign)	369,020	159,070
-Directors (Domestic)	98,344	20,550
-Others	3,568,297	4,164,029
Charity and Donation	6,000	6,600
Vehicle Running Expenses	333,515	314,042
Legal & Professional	919,708	558,092
Fee & Taxes	991,462	587,759
Misc. Expenses	264,281	353,596
Loss on sale of assets	1,351,014	46,873
Rent paid for showrooms	200,000	435,250
<b>Selling &amp; Distribution Expenses</b>		
Commission	886,416	2,426,268
Export Expenses	87,674	392,076
Courier expenses	1,085,666	2,060,674
ECGC Premium	366,714	0
Packing Material	3,851,072	4,340,860
Rebate & Discount ( Sales )	574,716	15,745,033
Rebate & Discount ( Quality Claim )	1,004,318	195,754
Sale Promotion & Exhibition	232,348	357,472
Shipping & Freight	7,403,358	8,424,963
<b>Total</b>	<b>123,175,384</b>	<b>153,420,219</b>



**Note : AUDITORS REMUNERATION (COVERED IN ABOVE NOTE 22- OTHER EXPENSES)**

PARTICULARS	31.03.2015 (RS.)	31.03.2014 (RS.)
<b>Auditors Remuneration</b>		
As Auditor- Audit Fee	111,236	90,124
For Taxation Matters- Tax Audit	-	11,000
For Other Services	-	-
	<b>111,236</b>	<b>101,124</b>

**NOTE 23 - EARNING PER SHARE (EPS)**

SR.	PARTICULARS	F.Y. ENDED 31 <sup>ST</sup> MARCH, 2015	F.Y. ENDED 31 <sup>ST</sup> MARCH, 2014
A	Net profit as per Statement of Profit and Loss	21,910,732	19,767,178
B	Net profit available to Equity Share holders	21,910,732	19,767,178
C	No. of equity shares at year end	14,652,695	14,652,695
D	Weighted average number of Equity shares used as denominator for calculating EPS *	14,652,695	14,652,695
E	Basic and Diluted Earning per Share (Rs.)	1.50	1.35
F	Face value per Equity Share	Rs. 10/-	Rs. 10/-

For Vipin Kumar Aggarwal & Co.

FRN : 007245N

Chartered Accountants

Sd/-  
(Vipin Kumar Aggarwal )  
Proprietor  
Membership No. 081198  
Place : Ludhiana  
Date : 22.07.2015

Sd/-  
(Manoj Kumar)  
Chief Financial Officer

Sd/-  
(Gurinder Makkar )  
Company Secretary

Sd/-  
(Vikas Nayar)  
Director  
DIN:00071047

Sd/-  
(Nitin Bhandari)  
Mg. Director  
DIN : 01385065



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

**CASH FLOW STATEMENT FOR THE YEAR 2014-15**

**(Rs. In Lacs)**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>CURRENT YEAR (2014-15)</b>	<b>PREVIOUS YEAR (2013-14)</b>
Net profit before tax and extraordinary items	299.54	278.76
Adjustments for		
Depreciation after written back	106.72	118.02
Less : Interest received	-7.32	-7.62
Interest & financial expenses	376.64	413.62
Adjustments against Reserve & surplus	0.00	9.16
<b>Operating profit before working capital changes</b>	<b>775.58</b>	<b>811.94</b>
Adjustment for :		
Trade and other receivables	-424.31	-566.01
Decrease / Increase (-) in inventories	-980.69	-115.50
Increase / Decrease (-) in trade payables	749.98	-458.64
<b>Cash Generated from operations</b>	<b>120.56</b>	<b>-328.21</b>
Less Interest paid	376.64	413.62
Less Direct tax paid	59.93	71.16
Cash flow before extraordinary items	-316.02	-812.99
Extra ordinary items	17.64	0.00
<b>Net cash from trading activities</b>	<b>-333.65</b>	<b>-812.99</b>
<b>CASH FROM INVESTING ACTIVITIES</b>		
issue of fresh capital	0.00	0.00
Share premium on fresh capital	0.00	0.00
Purchase of fixed assets	-1527.57	-39.15
Sale of fixed assets	51.90	307.85
Interest received	7.32	7.62
Realisation from investments	0.00	0.00
<b>Net cash from investing activities</b>	<b>-1468.35</b>	<b>276.32</b>
<b>CASH FROM FINANACING ACTIVITIES</b>		
Increase in bank borrowing	1748.03	597.68
Repayment of short term borrowing	0.00	0.00
Repayment of unsecured loans if any	0.00	0.00
<b>Net cash from financing activities</b>	<b>1748.03</b>	<b>597.68</b>
Net increase or decrease in cash & cash equivalent	-53.97	61.00
Cash & Cash equivalents ( Opening Balance )	100.95	39.95
Cash & Cash equivalents ( Closing Balance )	46.98	100.95

By Order of the Board  
for **BHANDARI HOSIERY EXPORTS LIMITED**

Sd/-

**(NITIN BHANDARI)**

Chairman & Managing Director

PLACE : LUDHIANA

DATED : 22.07.2015

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of **Bhandari Hosiery Exports Limited** for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement of the Bombay Stock Exchange Limited and is based on and is in agreement with the corresponding Statement of Profit & Loss and the Balance Sheet of the Company Covered by our report of even date of the Members of the Company.

For **Vipan Kumar Aggarwal & Co.**  
(Chartered Accountants)

Sd/-

**(Vipan Aggarwal)**

Proprietor

(Membership No. 081198)

Place : Ludhiana

Dated : 22.07.2015



**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

**BHANDARI HOSIERY EXPORTS LIMITED**

REGD. OFFICE: BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)  
PHONES: +91-88720-16410, FAX : +91-161-2690394, E-mail : bhandari@bhandariexport.com  
Web: www.bhandariexport.com Corporate Identification No. / CIN: L17115PB1993PLC013930

**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/ Client Id: DP ID:

I/We, being the member(s) of ..... Shares of BHANDARI HOSIERY EXPORTS LIMITED, hereby appoint:

1. Name : .....
2. Address : .....
3. E-mail Id : .....
4. Signature : ....., or failing him

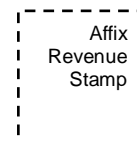
1. Name : .....
2. Address : .....
3. E-mail Id : .....
4. Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the company, to be held on Tuesday, the 29<sup>th</sup> day of September, 2015 At 09.00 a.m. at registered office of the company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)** and at any adjournment thereof in respect of such resolutions as are indicated below:

RESO. NO.	RESOLUTIONS	OPTIONAL (PLEASE MARK TICK)	
		FOR	AGAINST
1.	Adoption of Audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors and Directors thereon		
2.	To consider Declaration of Dividend on equity shares, for the year.		
3.	Reappointment of Shri Nitin Bhandari as Director who retires by rotation		
4.	Ratification of appointment of M/s Vipin Kumar Aggarwal & Co. as Statutory Auditors of the company		
5.	To appoint Ms. Manmeet Sikka as Woman/Independent Director		
6.	To approve remuneration payable to Cost Auditors for the year 2015-16.		
7.	To appoint Mr. Nitin Bhandari as Managing Director and CEO of the Company		
8.	To approve related parties transactions u/s 188 of Companies Act, 2013/ Clause 49 of listing Agreement		

Signed this..... day of ..... 2015

Signature of shareholder.....



**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 a Member of the Company.

**BHANDARI HOSIERY EXPORTS LIMITED**

**ATTENDANCE SLIP**

I hereby record my presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Company being held on Tuesday, the 29<sup>th</sup> day of September, 2015 at 9.00 a.m. at the Registered Office of the Company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)**

Full Name of the Shareholder(S).....

Folio No ..... D. P. ID/ Client ID. ....

Full Name of Proxy .....  
(IN BLOCK LETTERS) (If attended by Proxy)

SIGNATURE.....

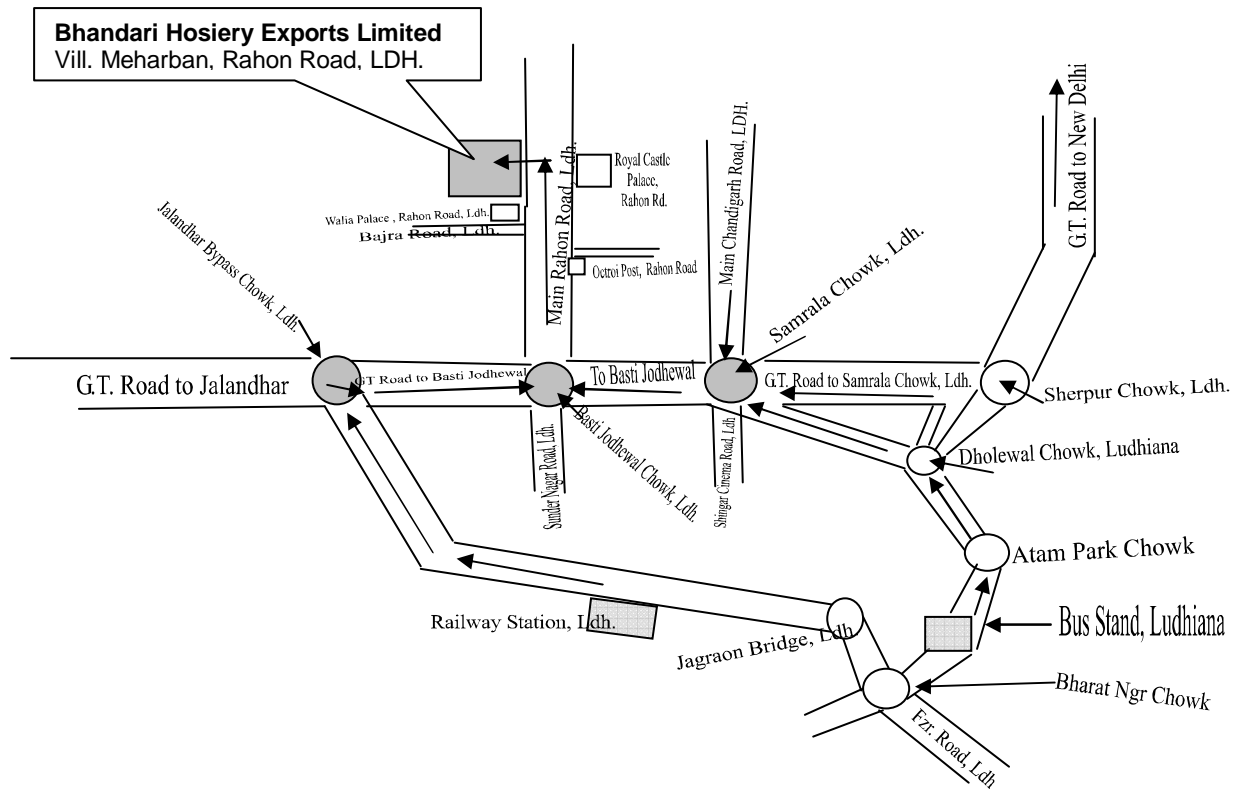


**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING OF  
BHANDARI HOSIERY EXPORTS LIMITED

REGD. OFF: BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 PUNJAB  
CIN: L17115PB1993PLC01393

The 22<sup>nd</sup> Annual General Meeting of the Members of the Company to be held on Tuesday, the 29<sup>th</sup> day of September, 2015 at 9.00 A.M. at the Registered Office of the Company





**Bhandari Hosiery Exports Limited**  
(A W.R.A.P., BSCI and C-TPAT Certified Company)

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**CORPORATE OFFICE**

**Bhandari House, Village Meharban,**

**Rahon Road, Punjab**

**Ludhiana-141007 (India)**

**[www.bhandariexport.com](http://www.bhandariexport.com)**