



BHANDARI HOSIERY EXPORTS LIMITED

Our Company was incorporated as “Bhandari Hosiery Exports Limited” on 25th November, 1993 as a public limited company under the Companies Act, pursuant to a certificate of incorporation issued by the Registrar of Companies, Punjab & Chandigarh, (the “RoC”) bearing Registration No. 013930. For details of the change in the address of the registered office of our Company, see ‘*General Information*’ on page no. 33 of this Letter of Offer.

Corporate Identification Number: L17115PB1993PLC013930

Registered Office: Bhandari House, Village Meharban, Rahon Road, Ludhiana, 141007 Punjab, India

Contact No: 88720-16410 | **Contact Person:** Mr. Daljeet Singh, Company Secretary and Compliance Officer;

Email-ID: cs@bhandariexport.com | **Website:** www.bhandariexport.com

PROMOTERS OF OUR COMPANY MR. NITIN BHANDARI, MS NITIKA BHANDARI, MS. KUSUM BHANDARI AND MR. NARESH BHANDARI (Refer note on page. no. 220)

ISSUE OF UPTO 169,11,111* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH (‘RIGHTS EQUITY SHARES’) AT A PRICE OF ₹ 4.50 PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ 3.50 PER RIGHT SHARE) (‘ISSUE PRICE’) FOR AN AMOUNT UPTO ₹ 761 LAKHS ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BHANDARI HOSIERY EXPORTS LIMITED (‘COMPANY’ OR ‘ISSUER’) IN THE RATIO OF 3 (THREE) RIGHTS EQUITY SHARE FOR EVERY TWENTY SIX EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, 23RD SEPTEMBER 2023, (‘ISSUE’). THE ISSUE PRICE IS 4.50 (FOUR AND A HALF) TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED ‘*TERMS OF THE ISSUE*’ BEGINNING ON PAGE NO. 178 OF THIS LETTER OF OFFER (LOF).

*Assuming full subscription

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoters, or Directors are or have been categorized as willful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (‘SEBI’) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer ‘*Risk Factors*’ beginning on Page No. 21 of this Letter of Offer before investing in the Issue.

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited (‘‘BSE’’) and National Stock Exchange of India Limited (‘‘NSE’’) (together, the ‘‘Stock Exchanges’’). Our Company has received ‘in-principle’ approvals from the BSE and NSE for listing the Rights Equity Shares to be issued pursuant to this Issue vide their letters dated 25th August 2023 and 14th August 2023 respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE

LINK Intime
LINK INTIME INDIA PRIVATE LIMITED

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Telephone: +91 810 811 4949

Email: Bhandariexport.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: Bhandariexport.rights@linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration Number: INR000004058

ISSUE OPENING DATE

Tuesday 03.10.2023

LAST DATE FOR MARKET RENUNCIATION*

Monday 09.10.2023

ISSUE CLOSING DATE**

Friday 13.10.2023

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.



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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Bhandari Hosiery Exports Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘Statement of Tax Benefits’, ‘Industry Overview’, ‘Financial Information’, ‘Outstanding Litigations, Defaults, and Material Developments’ and ‘Terms of the Issue’ on page no. 47, 50, 69 and 162 respectively, shall have the meaning given to such terms in such sections.

GENERAL / COMPANY RELATED TERMS

TERM	DESCRIPTION
“Bhandari Hosiery ExportsLtd.” / “BHEL” / “The Company” / “Our Company” / “Company”	Bhandari Hosiery Exports Limited, a public limited company incorporated under the provisions of the Companies Act, 2013, as amended from time to time having its Registered Office situated at Bhandari House, Village Meherban, Rahon Road, Ludhiana, Punjab, India. PIN 141007.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Bhandari Hosiery ExportsLimited together with its Subsidiaries, on a consolidated basis.

TERM	DESCRIPTION
AoA/ Articles of Association	The Articles of Association of Bhandari Hosiery Exports Limited, as amended from time totime;
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations 2015;
Audited Financial Statements	The audited financial statements of our Company prepared under IND AS for the Financial Years ending March 31, 2023, 2022 & 2021;
Auditors/ Statutory Auditors/ Peer Review Auditor	The statutory auditor of our Company is M/s Raj Gupta & Co., Chartered Accountants having FRN: 000203N;
Board of Directors/ Board	The Board of Directors of Bhandari Hosiery Exports Limited, including all duly constituted Committees thereof;
Chairman & Managing Director	Mr. Nitin Bhandari;
Companies Act,/ The Act	The Companies Act, 2013 and rules issued thereunder, as amended or The Companies Act, 1956 as the case may be;
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company is Mr. Daljeet Singh;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company is Ms. Misha Malhotra;
Corporate Social Responsibility (CSR) Committee	The committee of the Board of Directors constituted in accordance with the provisions of Section 135 of the Companies Act, 2013.



Directors	The director(s) on the Board of our Company, unless otherwise specified;
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Bhandari Hosiery Exports Limited as on the Record Date;
Equity Shares	Equity Share of the Company having face value of ₹ 1/- (Rupee One Only), unless otherwise specified;
Financial Information	Collectively, the Audit Report, the Audited Financial Statements with Annexure;
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' Our Management ' beginning on page no. 62;
ISIN	International Securities Identification Number being INE474E01029;
MoA/ Memorandum of Association	The Memorandum of Association of Bhandari Hosiery Exports Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations 2015;
Promoters & Promoter Group	Mr. Nitin Bhandari, Mrs. Nitika Bhandari, Mrs. Kusum Bhandari and Mr. Naresh Bhandari are our Promoters. Mrs. Mamta Bhandari, Mr. Shiva Bhandari and Mr. Ankit Bhandari are members of the "Promoter Group" of our Company; (*Refer note on page. no. 65)
Registered Office	The registered office of our Company located at Bhandari House, Village Meharban, Rahon Road, Ludhiana, 141007, Punjab, India;
Registrar of Companies/ RoC	Registrar of Companies, Punjab and Chandigarh, situated at 1 st Floor, Corporate Bhawan, Plot No. 4-B, Sector 27-B, Chandigarh, 160019, Punjab, India;
Rights Issue Committee/ Project Monitoring Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
Shareholders	The equity shareholders of our Company, from time to time, unless otherwise specified in the context thereof;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (LODR) Regulations 2015.

ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with the provisions of Section 40(3) of the Companies Act;
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottee(s)	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA



	Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price;
Application Form/ Common Application Form (CAF)	Unless the context otherwise requires, an application form [including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process] used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price;
Application Supported by Blocked amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	A bank account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors, including Renouncee, shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being State Bank of India;
Bankers to the Issue Agreement	Agreement entered into by and amongst our Company and the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from applicants/Investors, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' Terms of the Issue ' beginning on page no. 178;
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	BSE Limited ("BSE");
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	Draft Letter of Offer dated 25 th May, 2023, filed with BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE"), in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;



Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., 23 rd September, 2023. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders;
Escrow Account(s)	One or more no-lien bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being State Bank of India;
Issue/ Rights Issue	Issue of up to 169,11,111 Equity Shares of face value of ₹ 1/- each of our Company for cash at a price of ₹ 4.50 per Rights Equity share (including a premium of Rs. 3.50 per Rights Equity Share) for an amount upto ₹ 761 Lakhs on a rights basis to the Eligible Shareholders of our Company in the ratio of 3 (Three) Rights Equity Share for every 26 (Twenty Six) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. 23 rd September, 2023;
Issue Closing Date	October 13, 2023
Issue Opening Date	October 03, 2023
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form (CAF)/ Application Form and Rights Entitlement Letter;
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ 4.50/- (Rupees Four and paise fifty Only) per Right Share including a premium of ₹ 3.50 (Rupees Three and paise fifty Only) per Rights Equity Shares;
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount upto ₹ 761 Lakhs*; (*Assuming full subscription)
Letter of Offer/ LoF	The final letter of Offer dated September 5, 2023, filed with the BSE and NSE after incorporating the observations received from the BSE and NSE on the Draft Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Gross Issue Proceeds. Company will be incurring the Issue Expenses out of its internal generation. For further details, please refer to the section titled ' Objects of the Issue ' beginning on page no. 41;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Documents	The Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before October 09, 2023;
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being September 23 rd , 2023;
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the	Link Intime India Private Limited;



Issue/Registrar/RTA	
Registrar Agreement	Agreement dated 31-05-2023 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renounees	Any person(s) who, not being the original recipient has/have acquired the Rights entitlements from the Equity Shareholders through renunciation in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. October 03, 2023. Such period shall close on October 09, 2023 in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. October 13, 2023;
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹ 2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations;
Rights Entitlement (s)/ REs	The number of Rights Equity Shares that an Investor/Eligible Equity shareholder is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 3 (Three) Rights Equity Share for every 26 (Twenty Six) Equity Shares held by an Eligible Equity Shareholder; The Rights Entitlements with a separate ISIN 'INE474E20011' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders;
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
SEBI Rights Issue Circulars	Collectively, SEBI circulars bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', 'SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020', 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020' and 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021';
Self-Certified Syndicate Banks/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time;
Stock Exchanges	Stock Exchange where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange (BSE Limited);
Willful Defaulter	A Company or person, as the case may be, categorized as a willful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on willful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, Working day means all days on which commercial banks in Punjab are open for business. Further, in respect of



	Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Ludhiana are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;
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BUSINESS AND INDUSTRY RELATED TERMS

TERM	DESCRIPTION
CSR	Corporate Social Responsibility
DGFT	The Directorate General of Foreign Trade
GMP+	Good Manufacturing Practice
ISO	International Organization for Standardization
Kg	Kilogram
KW	Kilo Watt
MT	Metric Tons
PLF	Plant Load Factor
TPD	Ton Per Day

TERM	DESCRIPTION
One Million	Ten Lakhs;
One Billion	Ten Thousand Lakhs;
One Trillion	One Crore Lakhs;
Sq. ft.	Square Foot;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

ABBREVIATIONS

TERM	DESCRIPTION
₹/Rs. /Rupees /INR	Indian Rupees, the official currency of the Republic of India;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
AY	Assessment Year;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020;
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
Depositories Act	The Depositories Act, 1996;
DP/ Depository Participant	Depository Participant as defined under the Depositories Act;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;



EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EPS	Earning per Equity Share;
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors [as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000] registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, Government of India;
MN / Mn	Million;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Non-Resident External Account;
NRI	Non-Resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent Account Number;
PAT	Profit After Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;



SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities Transaction Tax;
Trade Marks Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
TDS	Tax deducted at source;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;



NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement (collectively "Issue Material") and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through registered post/speed post/courier the Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter ("Issue Material") only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and registered post/speed post/courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, SEBI, and the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE and NSE (the "Stock Exchanges") for observations. Accordingly, the Right Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Material must be treated as sent for information purpose only and should not be acted upon for subscription to Rights Entitlement and Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Material should not, in connection with this Issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares, or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.



NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or any U.S. State Securities Laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Rights Equity Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States,
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form (CAF) is incomplete or acceptance of such Application Form (CAF) may infringe applicable legal or regulatory requirements; and
5. Our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.



CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references here into the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our ‘Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Bhandari Hosiery Exports Limited or, as the context requires, and references to ‘you’ are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements for the year ended 31st March, 2023 and 31st March, 2022 of our Company prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled ‘**Financial Information**’ beginning on page no. 69. The financial year of our Company commences on April 1 and ends on March 31.

The Government of India has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Financial Statements of our Company for the Financial Years ended March 2022 and March 2023 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013 and are reproduced herein in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see ‘**Financial Information**’ on page no. 69.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.



CURRENCY OF PRESENTATION

All references in this Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in '**Risk Factors**' on Page No. 21. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.



FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as 'will', 'may', 'aim', 'is likely to result', 'believe', 'expect', 'continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'project', 'should', 'pursue' and similar expressions or variations of such expressions, that are 'forward looking statements'.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- General economic and business conditions Globally, in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to manage our operating costs and impact on the financial results
- Our ability to successfully implement our business strategies and the Expansion Plan;
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations.
- Changes in general, political, social and economic conditions in India and elsewhere;
- Fluctuations in the exchange rate between the Indian rupee and foreign currencies;
- Reduction in demand or in the production of edible oil products;
- Our inability to anticipate, respond to and meet the tastes, preferences or consistent quality requirements of our consumers or our inability to accurately predict and successfully adapt to changes in market demand or consumer preference could reduce demand for our products and in turn, impact our sales.
- Our revenue significantly depends on the sale of our Garments and Fabrics. Any decline in the sale of our products, in the market would have a material adverse effect on our business, financial condition and results of operation.
- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**' beginning on Page No. 21. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.



SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled '**Risk Factors**', '**Objects of the Issue**', '**Business Overview**' and '**Outstanding Litigations, Defaults and Material Developments**' beginning on page no. 21, 41, 56 and 162 respectively.

SUMMARY OF INDUSTRY AND OF ECONOMY

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

For further details, please refer, one of them to the chapter titled '**Industry Overview**' at page no. 50.

SUMMARY OF OUR BUSINESS

Incorporated in year 1993, Bhandari Hosiery Exports Limited, with main objects of manufacturing garments, knitted fabric and fabric dyeing has been successfully operating its plant at village Meherban, Rahon Road, Ludhiana, Punjab, India. The Company is presently having production facility of Fabric Knitting & Dyeing 20 Tonnes per day (TPD), Fabric Processing capacity of 20 TPD along with Garment manufacturing facility of capacity of 7,000 garments per day in the existing infrastructure comprising of land, building, and Plant and Machinery.

The Garments are sold by the Company to demanding reputed domestic and international customers and the turnover of the Company is a mix of domestic and export sales.

The Company plans to add fresh capacity of Rotary Fabric Printing 5 TPD, Fabric Knitting 5 TPD and Garments stitching 2000 pieces per day ("**the Expansion Plan**") at total cost of Rs. 2875 lacs.

The Expansion Plan is to be financed partly by fresh Term Loan from State Bank of India amounting to Rs. 1914 lacs, partly by the proceeds of the Rights Issue amounting to Rs. 761 lacs and balance by internal accruals amounting to Rs. 200 lacs. Promoters have undertaken that in case of any cost over-run in the Expansion Plan the same will be undertaken by the Promoters through unsecured loans. Rights Issue expenses will be financed through internal accruals of the Company.

The Lending bank has already sanctioned the Term Loan amount of Rs. 1914 lacs and has also approved raising the required funds through Rights Issue of Rs. 761 lacs. Promoters and members of the Promoters Group approached the Securities Exchange Board of India to seek exemption from complying with the provisions of Regulation 3(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 from making an open offer in case the post rights issue shareholding of the Promoters and the Promoter Group cross 25% of the total post rights issue paid up share capital of the Company. SEBI vide its Order No. WTM/SM/CFD/01/2023-24 dated 21st April, 2023 (SEBI Exemption Order) has provided, to the Promoters and the members of the Promoter Group, such exemption subject to certain conditions. Present Rights Issue is being executed subject to such conditions as provided under the SEBI Exemption Order.

Active steps for execution of the Expansion Plan have been taken and few of the machinery under the Expansion Plan have been ordered and the proposed amount out of Internal Accruals has been used for project implementation i.e. Building erection, foundations and spade work and part of the Loan Amount has also been disbursed by the Lending Bank. Company proposes to complete the Expansion Plan by October, 2023.

For further details, please refer to the section titled '**Business Overview**' on page no. 56.

OUR PROMOTER AND PROMOTER GROUP



The Promoters of our Company are Mr. Nitin Bhandari, Ms. Nitika Bhandari, Ms. Kusum Bhandari and Mr. Naresh Bhandari and are collectively referred to as “Promoter” or “Promoters”.

Mrs. Mamta Bhandari, Mr. Shiva Bhandari and Mr. Ankit Bhandari are the members of the Promoter Group of our Company and are referred as “Promoter Group”;

(*Refer note on page no. 65)

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS & PROMOTER GROUP IN THE ISSUE

The Promoters and Promoter Group of our Company amongst themselves, through their letters dated 26th May 2023, have confirmed that they intend to subscribe full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue.

Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. Exemption Order No. WTM/SM/CFD/01/2023-24 dated 21st April, 2023 has been granted by SEBI to the Company in exercise of the powers under section 11(1) and section 11(2)(h) of the Securities and Exchange Board of India Act, 1992 and Regulation 11(5) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 that exempts the Promoters and the Company from complying with the provisions of regulation 3(1) of the Takeover Regulations. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

OBJECTS OF THE ISSUE

The Objects of the Issue is to partly fund the ‘Expansion Plan’ of the Company. Details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue [#]	761.00
Less: Estimated Issue related Expenses	\$
Net Proceeds from the Issue	761.00

[#]Assuming full subscription.

^{\$} Issue related expenses will be incurred by the company out of the internal accruals; gross proceeds from the issue will be used for the purpose of Expansion Plan.

If there is any reduction in the amount of the Gross Proceeds on account of or at the time of finalization of issue price and Rights Entitlements Ratio, the balance amount of the Cost of Project will be funded by the Promoters of the Company through unsecured loans.

For further details, please refer to the section titled ‘**Objects of the Issue**’ beginning on page no. 41.

FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Audited Financial Statements prepared in accordance with Ind AS and the Companies Act, 2013 for the Financial Year ending March 31, 2023, March 31, 2022, and March 31, 2021.

Particulars	(₹ in lakhs)		
	2023	2022	2021
Equity Share Capital	1465.27	1465.27	1465.27
Net Worth ¹	8712.29	8155.42	7543.06
Total Income	28331.12	28343.63	22606.49
Profit / (loss) after tax	650.63	627.01	166.89
Basic and diluted EPS (in ₹)	0.44	0.43	0.11
Net asset value per Equity Share (in ₹)	5.95	5.57	5.15
Total borrowings ²	10431.94	11390.65	11443.64

¹Equity Share Capital and Other Equity

²consists of borrowings under non-current liabilities, current maturities of long-term debts, borrowings under



current liabilities and interest accrued but not due under current liabilities.

For further details, please refer to the chapter titled '**Financial Information**' beginning on page no. 69.

AUDITOR QUALIFICATIONS

There are no auditors qualifications, however for further details on auditor qualifications, please refer to page 158 and the section titled '**Financial Statements**' beginning on page no. 69.

OUTSTANDING LITIGATIONS

Name	By / Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Regulatory Authority	Amount Involved*# (₹ in lacs)
Company	By		3	-	-	49.87
	Against	2	-	-	-	38.18
Promoter	By	-	-	-	-	-
	Against	-	-	-	-	-
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than Promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

*To the extent quantifiable

For further details, please refer to section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page no. 162.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '**Risk Factors**' beginning on Page No. 21.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '**Financial Statements**' beginning on page no. 69.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '**Financial Statements**' beginning on page no. 69.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby the Promoters, Members of the Promoter Group, our Directors and their relatives have financed the purchase of Equity Shares by any other person other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing of this Letter of Offer.



SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in ‘Business Overview’, ‘Industry Overview’, and ‘Financial Statements’ beginning on page no. 56, 50 and 69 respectively in this Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- 1. Some events may not be material individually but may be found material collectively,*
- 2. Some events may have material impact qualitatively instead of quantitatively, and*
- 3. Some events may not be material at present but may have a material impact in future.*

The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Bhandari Hosiery Exports Ltd.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

- 1. Our company has borrowed from Banks in the form of long term loans for capex in our projects and cash credit limits to support our working capital requirements.***

Our growth has been supported in past by banks and the company is further raising long term funds for funding the Expansion Plan and additional working capital under debt to equity ratio of around 1.99. Such loans from banks carry customary restrictive covenants to be followed by the borrowers in case there is any delay in taking care of the obligations by the borrowers i.e. delay in servicing of interest or in payment of due principal amounts to the secured lenders.

Our loans are standard assets; we do not presently experience effect of any customary restrictive covenant that may be imposed by the secured lenders in eventuality of any delay or default in taking care of the obligations by the borrower.



- 2. Our operations are dependent on the supply of raw materials, such as cotton, spun and polyester yarn of different counts and twist and of right 'micronaire' value at a remunerative price. Such raw material is sourced from yarn spinning mills located in Northern and Southern India. Availability of our raw material depends upon availability of Cotton as a crop and any change in global weather patterns may have an adverse effect on the availability of raw materials to our suppliers.**

Our business depends on the availability of reasonably priced and high-quality raw materials in the quantities required by us. We source the raw materials from spinning mills located in Northern and Southern parts of India. The price and availability of such raw materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production of cotton and transportation cost, duties and taxes and territorial trade restrictions. Unfavourable local and global weather patterns including extremes such as drought, floods and natural disasters, may have an adverse effect on the availability of raw materials.

The availability of the raw materials for our operations may be adversely affected by longer than usual periods of heavy rainfall in certain regions or a drought caused by weather patterns. For example, natural disasters, excessive rainfall. Such events may have an adverse impact on the availability and prices of raw materials for our operations, which may increase the costs of our operations as well as negatively affect our business, results of operations and financial condition. Adverse weather conditions may also result in decreased availability of water, which could impact our manufacturing operations.

- 3. Our inability to anticipate, respond to and meet the preferences or consistent quality requirements of our consumers or our inability to accurately predict and successfully adapt to changes in market demand or consumer preference could reduce demand for our products and in turn, impact our sales.**

Our results of operations and future growth plans are largely dependent upon the demand for our products. Demand for our products depends primarily on consumer-related factors such as demographics, local preferences, fashion trends, the level of consumer confidence as well as on macroeconomic factors such as the condition of the economy and per capita income. Over a period of time, there have been significant changes in consumers' preferences in apparel and garments. Our success depends on our ability to anticipate fashion trends viz. the trends of wearing apparel in consumers and to offer affordable products that appeal to their needs and preferences in a timely manner. Consumer fashion trends and preferences often change over time, and if we are not able to anticipate, identify or develop and market products that respond to changes in consumer fashion trends and preferences, demand for our products may decline. We must, on a regular basis, keep pace with the preferences and quality requirements of our consumers, invest continuously in new technology and processes to provide products having the desired qualities and characteristics, and continually monitor and adapt to the changing market demand. An unanticipated change in consumer demand and any sudden change in Government regulations may adversely affect our liquidity and financial condition.

- 4. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. However, some of the approvals are granted for a fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals in time. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

- 5. We derive all our revenue from our Fabrics and Garments business segment and any reduction in demand or in the production of such products could have an adverse effect on our business, results of operations and financial condition.**

We derive all our revenue from our Fabrics and Garments business segment and any reduction in demand or in the production of such products could have an adverse effect on our business, results of operations and financial



condition. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of Fabrics and Garments could have an adverse effect on our business, results of operations and financial condition.

6. *Fluctuation in the exchange rate between the Indian rupee and foreign currencies may have an adverse effect on our business.*

Although we follow established risk management policies, including the use of derivatives, such as foreign exchange forward contracts to hedge our exposure to foreign currency risks, we are nevertheless exposed to risks from foreign exchange rate fluctuations since part of our revenues are through exports entailing foreign exchange transactions, in currencies including the U.S. Dollar and Euro. Exchange rates between some of these currencies and the Indian rupee in recent years have fluctuated and may do so in the future, thereby impacting our results of operations and cash flows in Indian rupee terms.

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect the Company to the extent of cost of goods traded in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since part of sales/ exports is done in foreign currency.

7. *A slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.*

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our units for maintenance, statutory inspections and testing, or may shut down certain units for capacity expansion and equipment upgrades. We may also face protests from local citizens at our existing units or while setting up new units, which may delay or halt our operations. Although we have not experienced any significant disruptions at our manufacturing units in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

8. *Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may render us liable to liabilities amounting to around Rs. 38.18 lacs. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to Civil, Criminal, Tax matters, actions by regulatory/ statutory authorities and matters above the materiality threshold against our Company have been set on page No. 20.*

For further details, see "Outstanding Litigation and Material Developments" on page no. 162. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against our Company we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

9. *We generate a major portion of sales from our operations in certain geographical regions especially Delhi, Haryana, Himachal, Punjab and Tirupur. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.*

We generate a major portion of sales from our operations in certain geographical regions. Such geographical concentration of our business heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than



us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside our present geographical markets may adversely affect our business prospects, financial conditions and results of operations.

10. Any major change in the technology may render our current technologies old or require us to make substantial capital investment to cope with the market.

Technology upgradation is a regular process and it is also essential for providing the desired quality to the customers. We are taking all the possible steps to keep our manufacturing facilities in line with the latest technology. However, any further upgradation in the technology may render our current technology old and require us to upgrade the existing technology or implement new technology. Further implementing new technology may require us to incur further capital expenditure which could affect our cash flows and result of operations.

11. Our manufacturing activities are dependent upon availability of skilled and semi-skilled labour.

Ludhiana being an industrial township adequate labour is available. We do not have any permanent arrangement of labour and the recruitments are made as per requirements of the work force except for those who are on permanent pay rolls of our Company. Our manufacturing activities are dependent on availability of skilled and semi-skilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. We are subject to adherence of industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.

We are subject to adherence of applicable labour laws that protect the interests of our workers, including legislation that stipulates laid-down procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers in case of default of the employer. While we have not experienced any labour unrest in the past, strikes, lock-outs and other labour action, in future, may have an adverse impact on our operations, and if not resolved in a timely manner, could lead to disruptions in our operations. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future and any such event could adversely affect our business, results of operation and financial condition.

12. We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.

The industry, in which we are operating, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

13. Our promoters and members of the Promoter Group hold 24.95% equity shares in the company and through this shareholding they retain control over our Company, however after the Rights Issue the shareholding stake of the Promoters may vary.

Our Promoter and the members of the Promoter Group hold 24.95% equity share capital in the company and through that they retain control over our company, however after the Rights Issue the shareholding stake of the Promoters and members of the promoters group may vary. Through Control over the management of the Company our promoters have the ability to control our business including matters relating to the timing and distribution of dividends and the election or termination or appointment of its officers and directors.

14. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. Any delay in the receipt of payments from our customers may increase our working capital requirement. Further, if a customer defaults in making payment for



the goods and services provided by us, on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis. All of these factors may result, or have resulted, in increase in the amount of receivables. Continued increase in working capital requirements may adversely affect our financial condition and results of operations.

15. Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

Our Company has entered into certain transactions with our related parties. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

16. If we are unable to introduce new designs, new products and respond to changing consumer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and financial condition.

The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer designs and products that consumers require. Our failure to successfully introduce new designs in a cost effective and a timely manner could lead us losing our sales and market share in the market.

17. Our inability to assess customer demand, negotiate price with our customers for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Our businesses depend on our ability to negotiate prices of our products, in desired order quantities, with our customers. If we have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we get from our customers a forecast for their demand and also indicative prices for our products and accordingly we plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately judge demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

18. Shortage or non-availability of electricity, fuel or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our manufacturing operations require a significant amount and continuous supply of electricity, fuel and water and any shortage or non-availability may adversely affect our operations. The production process requires significant power. We currently source our water requirements from bore wells and depend on state electricity boards for our energy requirements. Although we have diesel generators to meet exigencies at our unit, we cannot assure you that our unit will be operational during power failures. Any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

19. Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.

We are subject to a broad range of safety, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the noise emissions, air and water discharges; on the storage, handling, discharge and disposal of treated water, employee exposure to hazardous substances and other aspects of our operations. Further, any accidents at our facilities may result in personal injury or loss of life of our employees, contract laborers or other people, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation, which



may increase our expenses in the event we are found liable and could adversely affect our reputation. The government or the relevant regulatory bodies may require us to shut down our units, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our production activities. We cannot assure that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

20. *Under-utilization of our manufacturing capacities could have an adverse effect on our business and results of operations.*

Our revenues and profits are dependent on our ability to maximize our capacity utilization. Maximizing capacity utilization rates at our manufacturing facilities allows us to increase our economies of scale and allocate fixed costs over a greater number of units of products, thus increasing our profit margins. While we seek to achieve greater cost efficiency in our operations, we cannot assure you that we will always be successful in doing so, and any failure on our part in doing so may have an adverse effect on our business, results of operations, cash flows and financial condition.

21. *The price of the Equity Shares may be highly volatile after the Issue.*

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors including volatility in the Indian and global securities market, our operations and performance, performance of our competitors and perception in the market about investments in our industry, adverse media reports on us or the industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

22. *As the Equity Shares of our Company are listed on the BSE & NSE, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.*

The Equity Shares of our Company are listed on BSE & NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. In the past we were penalized under rule 17(1), 18(1) and 19(1) of the SEBI (LODR) for non-compliances that included not appointing woman director, not constituting Audit Committee and Nomination & Remuneration Committee for the quarter ending on September 2020.

Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

23. *We require to obtain, maintain and/or renew certain registrations, approvals, licenses and permission in ordinary course of our business, and failure to do so, in a timely manner or at all, we may be unable to*



fully or partially operate our businesses and our results of operations may be adversely affected.

We require certain approvals, licenses, registrations and permissions for our operations. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

24. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

25. We sell our products in highly competitive markets and our inability to compete effectively, market our products relative to our competitors may lead to lower market share, and adversely affect our operations and profitability.

Our Company operates in highly competitive markets and faces competition; however, it is not possible to compute the present market share of our Company since the Indian market comprises of players that are organized and unorganized also. Further, the competition in these markets is based primarily on demand creation and as a result, to remain competitive in our markets, we must continuously strive to effectively market our products. In the event of price competition from our competitors, we may be required to reduce the price of our products while maintaining quality standards and our Company may not always be able to do so. Some of our competitors may have greater financial resources, generate higher revenues, and therefore, be able to better respond to market changes and shifts in consumer spending patterns and changes in consumer sentiments and tastes. Accordingly, we cannot be certain that we will be able to compete effectively with these competitors or that we will not lose customers to these competitors. If we are not able to compete effectively, our business, results of operations and financial condition could be adversely affected.

26. Our Promoters, Members of the Promoter Group, and Directors may have interest in our Company other than normal remuneration or benefits and reimbursement of expenses incurred.

Our Promoters and Directors and Group Companies may be deemed to be interested in our Company, in addition to normal remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and Committee Meetings.

27. The textile and apparels industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.

The textile and apparel industry in India is a competitive and fragmented market with multiple national and regional companies. Some of our competitors may be larger than us or develop alliances to compete against us, have more financial and other resources and have products with greater brand recognition than ours. We also face competition from new players in the apparel industry.

If our competitors develop more efficient production facilities which enable them to produce their products at significantly lower costs, they could sell at lower prices and could require us to lower the prices we charge. Our



competitors in certain regions may also have better access to raw materials required in our operations and may procure them at lower costs than us, and consequently be able to sell their products at lower prices. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Further, we cannot assure you that we will be able to retain our existing customers or maintain our market share with our retail customers which may have an adverse effect on our business, financial condition and results of operations.

28. *We rely for our success upon the knowledge and experience of our Promoters, Directors and our management team. Loss of any of our directors and management team or our inability to attract and retain them could adversely affect our business, operations and financial condition.*

Our Company depends on the management skills and guidance of our Promoter and Directors for development of new designs, business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our management team for execution of the plans. Our future performance will depend largely on our ability to retain the continued service of our management team. There is regular demand for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Managers. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled “Our Management” on page no. 62 of this Letter of Offer.

29. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as fire, riots, third party liability claims, loss-in-transit and natural disasters. Presently, we have obtained certain policies such as standard fire and special perils policy. These policies insure our building, furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, godowns, meeting rooms, building superstructure, any other office contents from earthquake, fire, shock, terrorism, etc. There are many events that could cause significant damages to our operations, or expose us to third party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position. For further details on our Insurance Policies, please refer to page no. 59 of this Letter of Offer.

30. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

ISSUE SPECIFIC RISKS

31. *Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the “Offering Materials”) to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the



Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail.

32. Any future issuance of Equity Shares may dilute your shareholdings and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

Any future issuances of equity or convertible instruments by the Company may lead to the dilution of investors' shareholdings in the Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of the Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

33. SEBI has, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has now been introduced by the SEBI and the process for such Rights Entitlements has been devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page no. 178.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

34. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price.

35. Any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.



36. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

EXTERNAL RISK FACTORS

37. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may have to incur costs or may be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

38. *Taxes and other levies imposed by the Government of India or other State Governments and any other statutory authorities, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments and any other statutory authorities in India that affect our industry include:

- Custom duties (including anti-dumping duties, etc.) on imports of products;
- Goods and Service Tax;
- Direct Taxes.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

39. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

40. *Natural calamities could have a negative impact on the Indian economy and cause the Company's business to suffer.*

Our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

41. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the commercial markets, our business, financial condition and the price of our Equity*



Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, and other acts of violence overseas and in India may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect the Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

42. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.*

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.



SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors in its meeting held on 26th May, 2023 in pursuance of Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been determined by Project Monitoring Committee formed by the Board of Directors at their meeting held on [•].

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in section titled ***‘Terms of the Issue’*** on page no. 178.

EQUITY SHARES OUTSTANDING PRIOR TO THE ISSUE	14,65,26,950 Equity Shares;
RIGHTS EQUITY SHARES OFFERED IN THE ISSUE	Up to 1,69,11,111 Rights Equity Shares*;
EQUITY SHARES OUTSTANDING AFTER THE ISSUE (ASSUMING FULL SUBSCRIPTION FOR AND ALLOTMENT OF THE RIGHTS ENTITLEMENT)	16,34,38,061 Equity Shares;
RIGHTS ENTITLEMENT	3 (Three) Rights Equity Shares for every 26 (Twenty Six) Equity Shares held on the Record Date;
RECORD DATE	Saturday, September 23, 2023;
FACE VALUE PER EQUITY SHARE	₹ 1/- (Rupee One Only) each;
FRACTIONAL ENTITLEMENT	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 Equity Shares or is not in multiples of 9, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.
ISSUE PRICE PER EQUITY SHARE	₹ 4.50 including a premium of ₹ 3.50 per Rights Equity Shares.
ISSUE SIZE	Upto 1,69,11,111 Fully Paid Equity Shares of face value of ₹ 1/- each for cash at a price of ₹ 4.50 (Including a premium of ₹ 3.50 per Rights Equity Share amount upto ₹ 761 Lakhs);
TERMS OF THE ISSUE	Please refer to the section titled <i>‘Terms of the Issue’</i> beginning on page no. 178;
USE OF ISSUE PROCEEDS	Please refer to the section titled <i>‘Objects of the Issue’</i> beginning on page no. 41;
SECURITY CODE/ SCRIP DETAILS	ISIN: INE474E01029 BSE Scrip Code: 512608 NSE Symbol: BHANDARI ISIN for Rights Entitlements: INE474E20011

**For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than 9 Equity Shares or is not in multiples of 9, the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.*



TERMS OF PAYMENT

AMOUNT PAYABLE PER RIGHT EQUITY SHARE	FACE VALUE	PREMIUM	TOTAL
On Application	1/-	3.50	4.50
Total	1/-	3.50	4.50

ISSUE SCHEDULE

Issue Opening Date	Tuesday - October 03, 2023
Last date for On Market Renunciation of Rights*	Monday - October 09, 2023
Issue Closing Date**	Friday - October 13, 2023

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such manner that the Rights Entitlement are credited to the demat account of the Renounees on or prior to the Issue Closing Date*

***The Board of Directors or the Project Monitoring Committee, the duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*



GENERAL INFORMATION

Our Company was incorporated as a public company under the name of Bhandari Hosiery Exports Limited on November 25, 1993 under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Jalandhar, bearing Corporate Identification Number L17115PB1993PLC013930 and Certificate for Commencement of Business was issued to our Company on 7th December, 1993. One of the Main Objects of the Company at the time of its incorporation was to take over the running business, along with all assets and liabilities, of partnership firm “Bhandari Hosiery Exports” of Mr. Naresh Bhandari, Ms. Kusum Bhandari, Mr. Nitin Bhandari and Ms. Nitika Bhandari. The Company took over the running business of this Partnership firm, Bhandari Hosiery Exports as on 25.1.1994 as a going concern and the assets and liabilities of the firm were acquired at book value as per the balance sheet of the firm drawn on 25.1.1994 without any revaluation of assets. The Partners of the firm were issued 12,85,000 fully paid-up equity shares of Rs. 10 each of Bhandari Hosiery Exports Limited in consideration of the acquisition of their partnership firm.

The Company successfully came up with its Initial Public Offer (IPO) in year 1994 where fresh 32,47,700 equity shares of Rs. 10 each were allotted at par. The equity shares of our company were listed in year 1994 on BSE and in year 2017 on NSE.

The Company, post IPO, raised further its share capital as per details below to improve upon its production capacities.

(a) By way of Preferential Allotments:

- October 2006 - to Promoters and to Public Shareholders duly complying with the applicable legal provisions. The size of the preferential allotment was Rs. 252 lacs where equity shares of Rs. 10 each were allotted at a share premium of Rs. 8 each.
- March 2008 - to Promoters and to Public (also by way of conversion of share warrants held by Promoters) duly complying with the applicable legal provisions. The size of the preferential allotment was Rs. 270 lacs where equity shares of Rs. 10 each were allotted at a share premium of Rs. 8 each.
- August 2012 - to Public Shareholders duly complying with the applicable legal provisions. The size of the preferential allotment was Rs. 2018.50 lacs where equity shares of Rs. 10 each were allotted at a share premium of Rs. 34 each.

(b) By way of Capitalization of Profits:

- Company capitalized its profits amounting to Rs. 260.95 lacs in year 2011 and allotted Bonus Shares to its Equity Shareholders in the ratio of seven fully paid equity shares against twenty fully paid equity shares held in the Company.

Promoters of the Company, in the year 2008, acquired equity shares from the non-promoter shareholders of the company through an Open Offer under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations.

CHANGES IN OUR REGISTERED OFFICE

The registered office of our Company is situated as follow:

ADDRESS		EFFECTIVE FROM	REASON FOR CHANGE
FROM	TO		
Bhandari Building, Chowk Madhopuri, Ludhiana - 141008	Bhandari House, Village Meherban, Rahon Road, Ludhiana - 141007	15 th Feb 1995	For general business improvement

REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY

BHANDARI HOSIERY EXPORTS LIMITED

Registered Office Address: Bhandari House, Village Meherban, Rahon Road, Ludhiana India, 141 007

Contact No.: +91-8872016410

Email: cs@bhandariexport.com

Website: www.bhandariexport.com



CIN: L17115PB1993PLC013930

ADDRESS OF THE REGISTRAR OF COMPANIES

THE REGISTRAR OF COMPANIES, Punjab and Chandigarh

Address: 1st Floor, Corporate Bhawan, Plot No. 4-B, Sector 27-B, Chandigarh 160 019

Contact No.: 0172-2639415/2639416

Email id: roc.chandigarh@mca.gov.in

BOARD OF DIRECTORS

NAME	DESIGNATION	DIN	ADDRESS
Mr. Nitin Bhandari	Chairman & Managing Director	01385065	Queens Enclave, South City, Ayali Khurd, Ludhiana
Mr. Surinder Kumar Kapoor	Independent Director	08442523	66, W-31, Gole Puli Talan Tillo, Jammu 180001
Mr. Vikas Nayar	Non Executive Director	00071047	27, SECTOR 18 A, CHANDIGARH 160018
Mr. Rajesh Kumar	Non Executive Director	05160964	Village Janhan, Post Office Samtana, Hamirpur, Himachal Pradesh 176042
Mrs. Koamal Bhalla	Independent Director	09106916	House No. HM 292 PHB Colony, Jamalpur, Focal Point, Ludhiana, 141010,
Ms. Alka Gambhir	Independent Director	09044278	House No. 67-B, Civil Lines, Udham Singh Nagar, Ludhiana-141001

For further details of our Board of Directors, please refer to the section '*Our Management*' beginning on page no. 62.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Daljeet Singh

Address: H. No. 2721, St. No. 03, Chet Singh Nagar, Gill Road, Ludhiana 141003

Tel No: 8872016434

Email: cs@bhandariexport.com

Website: www.bhandariexport.com

CHIEF FINANCIAL OFFICER

Ms. Misha Malhotra

Address: House No 5210, Street No. 03, Anand Nagar, Haibowal Kalan, Ludhiana, Punjab-141001

Tel No: 8437660786

Email: cfo@bhandariexport.com

Website: www.bhandariexport.com

STATUTORY AUDITOR OF OUR COMPANY

M/s. Raj Gupta & Co., Chartered Accountants

Address: 271, Maya Nagar, Civil Lines, Ludhiana, Punjab 141001

Tel No: 9815643637

Email: carajguptaco@gmail.com

Contact Person: Mr. Sandeep Gupta

Membership No.: 0529774

Firm Registration No.: 000203N

Peer Review No.: 012527

REGISTRAR TO THE ISSUE

**Link Intime India Private Limited****Address:** C-101, 1st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083**Telephone:** +91 810 811 4949**Email:** Bhandariexport.rights@linkintime.co.in**Website:** www.linkintime.co.in**Investor Grievance Email:** Bhandariexport.rights@linkintime.co.in**Contact Person:** Sumeet Deshpande**SEBI Registration Number:** INR000004058**BANKER TO THE ISSUE/ REFUND BANK****State Bank Of India**

3rd Floor, Financial Institutions Branch,

Mumbai Main Branch Building,

N G N Vaidya Marg, Horniman Circle,

Fort, **Mumbai 400 001****Telephone Number:** 022-2271 9117/113**Website:** www.sbi.co.in**E-mail:** nib.11777@sbi.co.in**Contact Person:** Mr. Priyanshoo Sharma**SEBI Registration Number:** INBI00000028**BANKERS OF OUR COMPANY**

State Bank of India Address: IFB Branch, Golden Tower, Dholewal Chowk, GT Road, Ludhiana 141003 Tel: 0161-4037008 Email: 04046@sbi.co.in Website: www.sbi.co.in Contact Person: Mr. Pankaj Kumar SEBI Registration No.: INBI00000038	Union Bank of India (earlier Andhra Bank) Address: B-XV-295/B & B-XV-295/c, Near Oswal Street, Millerganj, GT Road, Ludhiana 141003 Tel: 0161-2545764-65 Email: ubin0803405@unionbankofindia.bank Website: www.unionbankofindia.com Contact Person: Mr. Nikhil Jain SEBI Registration No.: INBI00000006
HDFC Bank Address: Focal Point, Industrial Branch, Ludhiana 141010 Tel: 061- 61606161 Email: pankaj.kumar106@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Pankaj Kumar SEBI Registration No.: INBI000000xx	South Indian Bank Address: Om Shanti Complex, Cheema Chowk, Ludhiana 141003; Tel: 0161-2652404 Email: prateeknegi@sib.co.in Website: www.southindianbank.com Person: Mr. Prateek Negi SEBI Registration No.: INBI000000xx

LEGAL ADVISOR TO THE ISSUE**MM Legal Net LLP****Address:** Chamber No. 528, District Court Complex, Surajpur, Greater Noida, Uttar Pradesh**Tel:** +91-9711131740, 9868463148**Email:** legalnet.mm@gmail.com**Contact Person:** Mani Mittal, Advocate**ADVISOR TO THE ISSUE****Bharat Bhushan Mithal, FCA ACS**

Chartered Accountant, Company Secretary

Address: D-157, Sector 40, Noida 201301**Tel:** +91 - 9818188442**Email:** mittalbb.mittal@gmail.com**GRIEVANCES RELATING TO ISSUE RELATED MATTER**



Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled **‘Terms of the Issue’** beginning on page no. 178.

EXPERT

Except as stated below, our Company has not obtained any expert opinion.

Our Company has received a written consent dated 25th May, 2023 from the Statutory Auditor, M/s. Raj Gupta & Co., Chartered Accountants, to include their name in this Letter of Offer and as an ‘expert’, as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated 25th May, 2023, included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Wednesday – September 27, 2023
Issue Opening Date	Tuesday – October 03, 2023
Last Date for On Market Renunciation of Rights Entitlements[#]	Monday – October 09, 2023
Issue Closing Date*	Friday – October 13, 2023
Finalization of Basis of Allotment (on or about)	Thursday – October 19, 2023
Date of Allotment (on or about)	Friday – October 20, 2023
Date of credit (on or about)	Monday – October 23, 2023
Date of listing (on or about)	Thursday – October 26, 2023

[#]Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date;

**Our Board or the Project Monitoring Committee, the duly authorized committee, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date or who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date i.e. by October 09, 2023, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., by October 12, 2023.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance



before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page no. 178.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.linkintime.co.in after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled '**Terms of the Issue**' beginning on page no. 178.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As this proposed Issue is of Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Right Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue in terms of SEBI (ICDR) Regulation.

APPRAISING ENTITY

Gross Proceeds of the Issue will be utilized as one of the Means of Finance of the Expansion Plan that has been financially appraised by the term lending bank i.e. State Bank of India.

UNDERWRITING

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from Rupees Ten Crores Only to Rupees Fifty Crores. Since the size of this Issue falls under the said threshold, the Letter of Offer has been filed with the BSE and NSE and will not be filed with SEBI.

MINIMUM SUBSCRIPTION

Our Company is required to achieve minimum subscription, as applicable, for the Rights Issue as the object of the issue is to fund the Expansion Plan i.e. inter alia for incurrence of capital expenditure. Exemption as available under SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, with respect to achievement of Minimum Subscription is not applicable to our Company. We have also received confirmation from the Promoters that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group. Promoters will also be required to subscribe to any unsubscribed portion of the Rights Issue.

Accordingly, the provisions with respect to achievement of minimum subscription, as applicable on the Company, will be followed by the Company.



CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

(Amount in ₹ Lakhs, except data relating to shares)

PARTICULAR	AGGREGATE NOMINAL VALUE	AGGREGATE VALUE AT ISSUE PRICE
Authorized Equity Share capital		
25,00,00,000 Equity Shares of face value of ₹ 1 each	2500.00	2500.00
Issued, subscribed and paid-up Equity Share capital before this Issue		
14,65,26,950 Equity Shares of face value of ₹ 1 each	1465.27	-
Present Issue in terms of this Letter of Offer		
1,61,11,111 Equity Shares of face value of ₹ 1 each	169.11	761.00
Issued, subscribed and paid-up Equity Share capital after the Issue		
16,34,38,061 Fully Paid Equity Shares of face value of ₹ 1 each	1634.38	-
Subscribed and paid-up Equity Share capital after the Issue		
16,34,38,061 Fully Paid Equity Shares of face value of ₹ 1 each	1634.38	-
Securities Premium account		
Before the Issue		1559.75
After the Issue		2123.64

Notes:

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolutions passed in their meetings conducted on 26th May, 2023 and on 5th September, 2023.
- (b) Assuming full subscription for allotment of Rights Equity Shares;
- (c) Subject to finalization of Basis of Allotment and Allotment;
- (d) Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
3. As on the date of this Letter of Offer, our Company has not issued any special voting Rights Equity Shares and there are no outstanding Equity Shares having special voting rights;
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the **Issue is ₹ Rs. 4.90 - (Rupees Four and paise ninety only) per share;**
5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Letter of Offer, our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus.



6. Details of stock option scheme of our Company

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares:

None of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer

None of our Promoters or members of Promoter Group acquired any Equity Share of the Company in the last one year prior to the filing of the Letter of Offer.

9. Intention and participation by the promoter and promoter group

The Promoters and Promoter Group of our Company amongst themselves, through their letters dated 26th May, 2023, have confirmed that they intend to subscribe full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue. Further, the Promoters and certain members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations also as specifically exempted by the SEBI Exemption Order No. WTM/SM/CFD/01/2023-24 dated 21st April, 2023 issued in favor of the Promoters and members of the Promoter group of the Company. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue or part of the Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

10. Shareholding Pattern of our company

The shareholding pattern of our Company as on 30th June 2023 is as follows:

- a) The details of the shareholding pattern of our Company as on 30th June, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/bhandari-hosiery-exports-ltd/bhandhos/512608/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=BHANDARI>
- b) The details of shareholders of our Company holding 1% or more of the paid-up capital as on 30th June, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/bhandari-hosiery-exports-ltd/bhandhos/512608/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=BHANDARI>



SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company plans to commission a complete set of 'Rotary printing Section' and 'expansion of its existing capacity of garment manufacturing' (collectively referred as the "Expansion Plan") which has been appraised and approved for term loan funding by State Bank of India and which will be partly funded by the proceeds of the Rights Issue as Equity contribution as part of the Means of Finance.

The Company proposes to fully utilize the Net Proceeds of the Rights Issue towards Equity Contribution as Means of Finance in Capital Expenditure to be incurred in modernizing and expanding Building in existing premises, and in acquiring new Plant and Machinery, miscellaneous Fixed Assets and incurring project pre-operative expenses and towards working capital margin (collectively referred as the Expansion Plan).

The main object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

In addition to the aforementioned objects, our Company intends to further strengthen its capital base.

ISSUE PROCEEDS

Funds raised through the Rights Issue shall be fully utilized for the Expansion Plan and the details of Issue Proceeds are set forth in the following table:

		(₹ in Lakhs)
PARTICULARS		AMOUNT
Gross Proceeds from the Issue* #		761.00#
Less: Estimated Issue related Expenses **		**
Net Proceeds from the Issue		761.00

#Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

** to be borne by the Company out of the internal generations of fund through existing operations.

*The Issue size is upto ₹ 761 Lakhs.

REQUIREMENT OF FUNDS AND UTILISATION OF PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

				(₹ in Lakhs)
Sr. No.	PARTICULARS	AMOUNT TO BE DEPLOYED FROM NET PROCEEDS	ESTIMATED DEPLOYMENT OF NET PROCEEDS FOR THE FINANCIAL YEAR ENDED ON 31 ST MARCH 2024	
1.	Capex in the Expansion Plan, including contingencies and pre-operative expenses	451.00	451.00	
2.	Working Capital Margin related to the Expansion Plan	200.00	200.00	
3.	Preliminary and Pre-operative Expenses	110.00	110.00	
	Total Net Proceeds**	761.00	761.00	

**Assuming full subscription in the Issue and subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares.

The above stated fund requirements are based on appraisal made and approved by State Bank of India to fund the Expansion Plan vide its approval letter No. AMT-I/22-23/90 dated 13th September 2022 and will be subject to general Monitoring only.

DETAILS OF THE OBJECTS OF THE ISSUE

Company is commissioning a complete set of Rotary Printing Section which involves construction of Building on first floor, adding Rotary printing machines, compacting machine, screen making and designing machines, establishing

screen rooms, dark rooms and installing other ancillary machines associated with the rotary printing section (the "Expansion Plan"). Capital expenditure for implanting the Expansion Plan is part of the table below that displays the complete Project Cost that has been appraised and approved for funding by State Bank of India, Ludhiana.

	Description	Rupee	Rs. equivalent of Foreign Exchange cost	Total
		Rs. Lacs	Rs. lacs	Rs. lacs
I	Land with Site Development	-	-	-
II	Building – Modernization and RCC Construction	780.00	-	780
III	Plant & Machinery			
	1. Imported Plant & Machinery			
	a) Imported Machines		1134.40	1134.40
	b) Duty (Nil) and inland costs till sites	329.00		329.00
	2. Indigenous Plant & Machinery	125.00		125.00
	Total Plant & Machinery – Cost, delivered at Site	1234.00	1134.40	2368.40
IV	Miscellaneous Fixed Assets - Indigenous	100.00		100.00
V	Preliminary and Preoperative Expenses	110.00		110.00
VI	Contingencies and Escalations	23.88	73.17	97.05
VII	Margin Money for Working Capital (for 1 st year)	200.00		200.00
	Total Cost of Project	1667.88	1207.57	2875.45

1. Land with Site Development

The Expansion Plan will be undertaken at the present production site of the Company and no further investment is required for purchase of any additional land or in site development of the existing production site.

2. Building – Modernization and RCC Construction and underground water tanks

The Expansion Plan needs an additional cost to be incurred under this head amounting to Rs. 780 lacs as per details below:

	Particulars	Rs. Lacs	Rs. lacs
1	Ground Floor ACC roofing to be replaced with MS Structure and Deck RCC Slabs 1st Floor MS Structure with profile sheet roofing		705.00
2	Under Ground Water Tanks	72.00	
	Cost of Shuttering	3.00	
	For Under Ground Water Tanks		75.00
	Total		780.00

Expenses to be incurred on the building amounting to Rs. 705 lacs have been estimated and certified by M/s Vivek Consultants, Chandigarh, Architects, Engineers and Planners. Work on Building construction has commenced and is likely to get over by end of October 2023.

3. Plant & Machinery

Majority of expenditure under this head is planned to be done in acquiring imported high-class plant and machinery as per details below. Orders for Printing machine with dryer and Sampling Machine for printing have been placed in April 2023 along with advance amount as there is a time lag in delivery of these imported machinery; delivery of the same is expected to be received in the month of October, 2023. Suppliers of other machinery have also been finalized and advance against the orders will be placed in early September 2023 once the Building gets ready; these machinery are ready for delivery with almost no lead time.

Imported Machinery

Description and Specifications	Selected supplier	No. of Machines	Total Cost, Foreign Currency per Machine	Total cost, packed CIF
Printing Project			Euro/ USD	Rs. lacs
Collar Knitting Machines	Jin Pieng	8	USD 80,000	61.60
Circular Knitting Machines	Wellknits/ Golden Knit	8	Euro 200,000	156.00

Printing Machine with Dryer	Zimmer/ Regainni	1	GBP 690,000	593.40
Sampling Machine for Printing	Zimmer/ Regainni	1	GBP 130,000	111.80
Garment Stitching Machinery	Juki	1	Euro 150,000	117.00
Screen Engraving Set	CST	1	GBP 110,000	94.60
Sub Total				1134.40
Duty and Taxes				329.00
Total				1463.00

Indigenous Machinery

Description and Specifications	Supplier	No. of Machines	Basic Cost per Unit	Total Basic cost, FOR
Printing Project			Rs. Lacs	Rs. Lacs
Lab Machines	Various	Set		20.00
Steamer	Texfab	1	50.00	50.00
Screen Making Room + colour mixing area	Embee	1	40.00	40.00
Inspection Machiner	Cardwell	1	5.00	5.00
Air Compressor	Kaiser	1	10.00	10.00
Total				125.00

4. Miscellaneous Fixed Assets

Miscellaneous Fixed Assets include Electricals and panels etc., Feed Pumps, Hoist and Chain pulley, Forklift, Piping for water, air and steam, Traps, Control valve, Pressure gauges etc., Miscellaneous Equipment and fittings, Industrial Lift, Furniture and fixtures, Fire extinguisher, Lighting and Insulation. The Company already has an operational plant and hence for the domestic equipment needed for the Expansion Plan the Company plans to source the same from its regular domestic suppliers. Total cost estimated for all these miscellaneous Fixed Assets is Rs. 100 lacs as detailed below:

	Particulars	Units	Supplier	Unit cost (Including Installation)	Total Cost - Rs. Lacs
1	Electricals and Panels	1	Domestic suppliers		25.00
2	Feed Pumps	1	Domestic Suppliers		15.00
3	Hoist and Chain Pully, Fork Lift		Domestic Suppliers	5.00	10.00
4	Water, Air, Steam pipings, Traps, Control Valve, Pressure Gauges etc.	2	Domestic Suppliers	5.00	10.00
5	Miscellaneous Equipment and Fittings	2	Domestic Suppliers	5.00	10.00
6	Industrial Lift	1	Domestic Suppliers	10.00	10.00
7	Furniture & Fixtures - set	1	Domestic Suppliers		10.00
8	Fire Extinguisher + Lighting + extinguisher	Lot			10.00
	Total				100.00

5. Preliminary and Preoperative Expenses

The Expansion Plan is an independent project but is closely associated with the existing production of the Company. For the Expansion Plan the Company has recognized that certain expenses will have to be incurred that fall into the category of Preliminary and Preoperative Expenses. These expenses may be Preliminary Expenses for the Project as per the bank appraisal and are estimated to be, travelling overheads, Establishment of the Project (for the first eight months), Insurance during the Project period, Start-up overheads, Preoperative Interest payable to secured lenders, Bank charges and upfront fee related to the term loan, expenses for issuance of Bank Guarantee (EPCG), and Consultancy & Miscellaneous Fee etc. Total cost estimated against Preliminary and Preoperative Expenses is Rs. 110 lacs as detailed below.

Description and Specifications	Cost (Rs. Lacs)
Travelling Overheads, Preliminary expenses and start-up costs	15.00
Project Establishment (eight months period, already commenced)	5.00
Insurance Expenses	5.00
Pre-operative period Interest expenses	50.00
Upfront fee to Bankers, Consultants etc.	30.00
Bank Guarantee Charges (EPCG etc.)	5.00
	110.00

6. Contingencies and Escalations

Contingencies and possibilities of any escalation with respect to building and plant & machinery is customarily a component of Cost of Project. The Company has considered contingency @ 2.50% on the building cost and @ 5% on Imported and Indigenous Plant & Machinery which collectively aggregates to Rs. 97.05 lacs.

7. Margin for Working Capital as part of the Project cost

Working capital is the difference between Current Assets and Current Liabilities as appearing in financial projections of any project. For any new project being undertaken by an existing company it is customary to recognize and raise 20% of the additional working capital requirements through long term project related resources and to include such working capital margin in the Cost of Project itself which is financed collectively through a combination of Term Loan, and through Equity Capital and Internal Accruals (collectively referred as Equity Contribution) keeping in view of the overall Debt Equity Ratios and other parameters. The lenders have assessed, as per working below, that the Company needs an additional working capital of around Rs. 1054 lacs after execution of the Expansion Plan. Where the Lender, based on the past records, considered Domestic Receivables equal to 77 days of sales, Export Receivables equal to 171 days of sales, Raw Material Inventory equal to 33 days of sales, Work-in-Progress equal to 30 days of sales, Finished Goods Inventory equal to 39 days of sales, stores and spares equal to 110 days of annual consumption.

Year-end Other Current Assets comprise of Refunds receivable (VAT, GST, IGST, TUFF, MAT etc.), Export Incentive receivable, Advances recoverable in cash or in kind, Cheques in hand, Advances to suppliers (of raw material, stores), pre-paid expenses. The appraising lending banker, based on the blockage of additional funds towards GST, Income Tax refunds, TUFF subsidy and also due to additional requirements for advances also to the new printing business suppliers (as required for the Expansion Plan) has appraised the following levels for Other Current Assets.

Creditors/ Accounts Payable were considered to be equal to 20 days of purchases as per market and the past trends. Other Current Liabilities comprise of Term Loan Instalments payable in next one year, advances from customers, Statutory Dues and Unpaid Dividends etc. and have been appraised accordingly as per Financial Projections made by the appraising banker for the following year(s).

Working Capital Requirement (company as a whole)	Coverage period – No. of days	FY 2022 Rs. in lacs (Audited)	Amount (In Rs. lacs) as appraise by SBI)	Amount (In Rs. lacs) as appraised by SBI)
			In FY 2022 for FY 2023	In FY 2023 for FY 2024
Accounts Receivable (Domestic)	77	5676	6000	6400
Accounts Receivable (Exports)	171	810	800	800
Inventory:				
Raw Material	33	2005	2400	2500
Work in Process	30	2152	2575	2700
Finished Goods	39	2851	2600	2600
Stores & Spares	110	403	400	400
Other Current Assets		1880	2360	3025
Total Current Assets (TCA)		15777	17135	18425
Accounts Payable	20	1196	1200	1300
Other Current Liabilities		1367	1409	1545
Total Current Liabilities (TCL)		2563	2609	2845
Working Capital (TCA - TCL)		13214	14526	15580
Additional Working Capital Required				1054
To be financed by :				
# Additional Cash Credit (CC) from Banks				700
# Working Capital Margin as Cost of Project				200
# Internal Accruals generated during the year				154
Total Additional Working Capital required				1054

As captured in the table above out of the Total Additional Working Capital required the lending Bank has assessed additional Cash Credit limit of Rs. 700 lacs and has also appraised and approved to include Margin for Working Capital amounting of Rs. 200 lacs in the Cost of Project as long term resource and balance Rs. 154 lacs to be taken by the Company through Internal Accruals during FY 2023-24.

Company has applied to the State Bank of India on June 13th 2023 for the enhancement of Cash Credit limit and the same is under active appraisal of State Bank of India. The Banker has already appraised the Expansion Plan that includes its Working Capital Requirements.

8. General Corporate Purpose:

The Company shall not utilize any amount of the Proceeds towards general corporate purposes.

9. Expenses for the Issue:

The total Issue related expenses will be incurred by the Company out of its regular internal accruals and not out of the Issue proceeds. The Issue related expenses include fees payable to the legal counsel, other consultants, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

MEANS OF FINANCE

The Cost of Expansion Plan Project will be funded by Rights Issue, internal accruals and a term loan from State Bank of India as below.

	Means of Financing	Rs. lacs	Rs. lacs
I	Equity Contribution		961.00
	Rights Issue	761.00	
	Internal Accruals	200.00	
	Unsecured Loans by Promoters (in case of eventual gap, if any)	-	
II	Term Loans		
	Foreign Currency Loans	-	-
	Rupee Loans (under ATUFS #) from State Bank of India backed by one time capex FLC of 360 days equal value)	1914.45	1914.45
	Total		2875.45

Amended Technology Upgradation Fund Scheme administered by the Ministry of Textile, Government of India.

Our Company will use the entire Rights Issue proceeds to meet the Expansion Plan requirements. More than 75% of the stated Means of Finance, excluding the amount to be raised from the Issue, has been approved by the Lender State Bank of India; therefore our Company confirms that there is no requirement to make any other firm arrangement of finance under Regulation 62(1)(c) of SEBI ICDR Regulations through verifiable means.

APPRAISAL OF THE OBJECTS TO THE ISSUE

Objects of the Issue are part of the Expansion Plan which has been appraised and approved for funding by State Bank of India vide their Letter No. AMT-I/22-23/90 dated 13.09.2022 and the Proceeds of the Rights Issue will be fully utilized as part of the Means of Finance towards funding of the Expansion Plan.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company has not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue as on the date of this Letter of Offer.

State Bank of India has however initiated releasing term loan funds for the execution of the Expansion Plan once the Company started inducting funds from Internal Accruals and we confirm that such Internal Accruals and part of Term Loan released by the Bank as on the date of the Letter of Offer has been used only for the purpose of the Expansion Plan.

INTERIM USE OF FUNDS

Our Company, in accordance with the terms of execution of the Expansion Plan approved by State Bank of India will deploy the entire Rights Issue Proceeds towards the execution of the Expansion Plan which has already commenced.

Our Company confirms that it shall not use the Issue Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties, except in the ordinary course of business.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Issue Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or our Group Companies.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹ 10,000 Lakhs, in terms of SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

We will also, on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the BSE and NSE, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, if so required, the notice issued to the Shareholders in relation to the passing of such special resolution (the '*Postal Ballot Notice*') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi, and one in the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

The Expansion Plan is planned on the same premises and location in which our existing manufacturing activities and storage is going on. No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Expansion Plan and the Objects of the Issue.

However, consents, permissions and licenses held by the Company so far with respect to Fire, Air and Water will be modified/ revised to include the additional capacities and this modification / revision will be applied before the actual commencement of the production but once the additional building gets constructed, fresh Plant & Machinery is received and installed.

INTEREST OF PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoters and members of the Promoter Group of our Company amongst themselves, through their letters dated 26th May, 2023, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

OTHER CONFIRMATIONS

There is no material existing or anticipated transactions in relation to the utilization of the Proceeds with our Promoters, members of the Promoters Group, Directors or Key Management Personnel of our Company and no part of the Proceeds will be paid as consideration to any of them. None of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue except to the extent of their being the shareholders in the Company. No part of the proceeds from the Issue will be paid by the Company as consideration to our Directors or to our Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue except as mentioned in the para above dealing with Key Industry Regulations for the Objects of the Issue.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To
The Board of Directors
Bhandari Hosiery Exports Limited
Bhandari House, Village Meherban, Rahon Road
Ludhiana, Punjab
(hereinafter the "Company")

Dear Sirs,

Re: Proposed rights issue of equity shares of Rs. 1/= each (the "Equity Shares") of Bhandari Hosiery Exports Limited (the "Company" and such offering, the "Issue").

We report that, the enclosed statement in the Annexure, there is no special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2023 (hereinafter referred to as "Income Tax Laws"), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, under the respective tax laws of their country as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer for the proposed rights issue of the Company to the existing shareholders which are available to the Company and its shareholders.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and 'Guidance Note on the Reports in Company Prospectuses (revised 2019)' ('the Guidance Notes') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Notes require that we comply with ethical requirements of the *Code of Ethics* issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements. We do not express any opinion or provide any assurance as to whether:

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment.



as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

Yours faithfully,
For and on behalf of

Raj Gupta & Associates
Firm Registration No. FRN 000203N

CA Sandeep Gupta

Partner

Membership No.: 529774

Place: Ludhiana

Date: 25/05/2023

UDINo.: 23529774BGVLIT5597

Encl.: aa

CC:

MM Legal Net LLP

Gautam Budh Nagar, Noida – 201 301,

Uttar Pradesh, India (Referred to as the **Legal Counsel**)

ANNEXURE

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BHANDARI HOSIERY EXPORTS LIMITED (THE "COMPANY") AND IT'S SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the "Act")

a) Special tax benefits available to the Company under the Act - N.A.

b) Special tax benefits available to the shareholders under the Act - N.A.

Notes:

a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c) The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.

d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")

1) Special indirect tax benefits available to the Company under the Act - N.A.

2) Special indirect tax benefits available to the shareholders under the Act - N.A.

Notes:

a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.





SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-structured or re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections “Risk Factors” on page no. 21. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section “Risk Factors” on Page No. 21. Accordingly, investors should not place undue reliance on information.

GLOBAL ECONOMIC OUTLOOK

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The rise in central bank rates to fight inflation and Russia’s war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

The balance of risks remains tilted to the downside, but adverse risks have moderated since the October 2022 WEO. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia’s war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by high food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

Forces shaping the Outlook

The global fight against inflation, Russia’s war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors may continue to do so in 2023.

Despite these headwinds, real GDP was surprisingly strong in the third quarter of 2022 in numerous economies, including the United States, the euro area, and major emerging market and developing economies. The sources of these surprises were in many cases domestic: stronger-than-expected private consumption and investment amid tight labor markets and greater-than-anticipated fiscal support. Households spent more to satisfy pent-up demand, particularly on services, partly by drawing down their stock of savings as economies reopened. Business investment rose to meet demand. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and allowed for a rebound in previously constrained sectors, such as motor vehicles. Energy markets have adjusted faster than expected to the shock from Russia’s invasion of Ukraine.

In the fourth quarter of 2022, however, this uptick is estimated to have faded in most—though not all—major economies. US growth remains stronger than expected, with consumers continuing to spend from their stock of



savings (the personal saving rate is at its lowest in more than 60 years, except for July 2005), unemployment near historic lows, and plentiful job opportunities. But elsewhere, high-frequency activity indicators (such as business and consumer sentiment, purchasing manager surveys, and mobility indicators) generally point to a slowdown.

COVID-19 deepens China's slowdown

Economic activity in China slowed in the fourth quarter of 2022 amid multiple large COVID-19 outbreaks in Beijing and other densely populated localities. Renewed lockdowns accompanied the outbreaks until the relaxation of COVID-19 restrictions in November and December of 2022, which paved the way for a full reopening. Real estate investment continued to contract, and developer restructuring is proceeding slowly, amid the lingering property market crisis. Developers have yet to deliver on a large backlog of presold housing, and downward pressure is building on house prices. The authorities have responded with additional monetary and fiscal policy easing, new vaccination targets for the elderly, and steps to support the completion of unfinished real estate projects. However, consumer and business sentiment remained subdued in late 2022. China's slowdown has reduced global trade growth and international commodity prices.

Forecast for Global Economic Growth

Upside risks - Plausible upside risks include more favourable surprises to domestic spending, as in the third quarter of 2022, which, however, may increase inflation further. At the same time, there is room for an upside scenario with lower-than-expected inflation and less monetary tightening:

- *Pent-up demand boost*: Fuelled by the stock of excess private savings from the pandemic fiscal support and, in many cases, still-tight labour markets and solid wage growth, pent-up demand remains an upside risk to the growth outlook. In some advanced economies, recent data show that households are still on net adding to their stock of excess savings (as in some euro area countries and the United Kingdom) or have ample savings left (as in the United States). This leaves scope for a further boost to consumption— particularly of services, including tourism. However, the boost to demand could stoke core inflation, leading to even tighter monetary policies and a stronger-than-expected slowdown later on. Pent-up demand could also fuel a stronger rebound in China.
- *Faster disinflation*: An easing in labour market pressures in some advanced economies due to falling vacancies could cool wage inflation without necessarily increasing unemployment. A sharp fall in the prices of goods, as consumers shift back to services, could further push down inflation. Such developments could imply a “softer” landing with less monetary tightening.

Downside risks - Numerous downside risks continue to weigh on the global outlook, lowering growth while, in a number of cases, adding further to inflation:

- *China's recovery stalling*: Amid still-low population immunity levels and insufficient hospital capacity, especially outside the major urban areas, significant health consequences could hamper the recovery. A deepening crisis in the real estate market remains a major source of vulnerability, with risks of widespread defaults by developers and resulting financial sector instability. Spill overs to the rest of the world would operate primarily through lower demand and potentially renewed supply chain problems.
- *War in Ukraine escalating*: An escalation of the war in Ukraine remains a major source of vulnerability, particularly for Europe and lower-income countries. Europe is facing lower-than anticipated gas prices, having stored enough gas to make shortages unlikely this winter. However, refilling storage with much diminished Russian flows will be challenging ahead of next winter, particularly if it is a very cold one and China's energy demand picks up, causing price spikes. A possible increase in food prices from a failed extension of the Black Sea grain initiative would put further pressure on lower-income countries that are experiencing food insecurity and have limited budgetary room to cushion the impact on households and businesses. With elevated food and fuel prices, social unrest may increase.
- *Debt distress*: Since October 2022, sovereign spreads for emerging market and developing economies have modestly declined on the back of an easing in global financial conditions and dollar depreciation. About 15 percent of low-income countries are estimated to be in debt distress, with an additional 45 percent at high risk of debt distress and about 25 percent of emerging market economies also at high risk. The combination of high debt levels from the pandemic, lower growth, and higher borrowing costs exacerbates the vulnerability of these economies, especially those with significant near-term dollar financing needs.
- *Inflation persisting*: Persistent labour market tightness could translate into stronger-than-expected wage growth. Higher-than-expected oil, gas, and food prices from the war in Ukraine or from a faster rebound in China's growth could again raise headline inflation and pass through into underlying inflation. Such developments could cause inflation expectations to de-anchor and require an even tighter monetary policy.



- *Sudden financial market repricing:* A premature easing in financial conditions in response to lower headline inflation data could complicate anti-inflation policies and necessitate additional monetary tightening. For the same reason, unfavourable inflation data releases could trigger sudden repricing of assets and increase volatility in financial markets. Such movements could strain liquidity and the functioning of critical markets, with ripple effects on the real economy.
- *Geopolitical fragmentation:* The war in Ukraine and the related international sanctions aimed at pressuring Russia to end hostilities are splitting the world economy into blocs and reinforcing earlier geopolitical tensions, such as those associated with the US-China trade dispute. Fragmentation could intensify—with more restrictions on cross-border movements of capital, workers, and international payments—and could hamper multilateral cooperation on providing global public goods.¹ The costs of such fragmentation are especially high in the short term, as replacing disrupted cross-border flows takes time.

[Source: *The International Monetary Fund, World Economic Outlook January 2023*]

INDIAN ECONOMIC OUTLOOK

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector remained the main driver of development in 2022-2023 and may continue in future too.

Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in subsequent period. Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by several HFIs (High-Frequency Indicators) that are performing well, indicating the beginning of a comeback. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by year 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy.

(Source: [Indian Economy: Overview, Market Size, Growth, Development, Statistics..IBEF](#))



INDIAN TEXTILE INDUSTRY & GARMENTS MARKET

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

The Indian textile and apparel industry is expected to grow at 10% CAGR to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world's largest producer of cotton. Production of Cotton stood at 341.91 lakh bales during the FY 2022-23 (<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1897932>). Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) cotton including accessories is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. During April-October in FY23, the total exports of textiles stood at US\$ 21.15 billion. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. Government took various initiatives to improve skill of the present and future work force required by the Textile Industry.

The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 4.067 billion from April 2000-December 2022. The textiles sector witnessed a spurt in investment during the last five years. In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million. In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million. Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.

The textile ministry has selected 61 companies, to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.

In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles. Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0, an upgraded, patented end-to-end traceability technology, to track textile raw materials throughout the supply chain.

Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.



(Source <https://www.ibef.org/industry/textiles>)

GOVERNMENT INITIATIVES – Indian Textile Industry and Garments

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. Other initiatives taken by the Government of India are:

- In February 2023, the union government approved land size of 1,000 acres for setting up a textile park in city of Lucknow, Uttar Pradesh.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH (Scheme for Capacity Building in Textile Sector) a skill development Scheme launched by Ministry of Textiles, Government of India.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. New campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved.
- In November 2022, Tamil Nadu Chief Minister announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Tamil Nadu will also build a 1,500-acre textile park in the Virudhunagar district.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero



duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- Under the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US\$ 1.62 billion). Out of this, Rs.133.83 crore (US\$ 17.5 million) is for the Textile Cluster Development Scheme, Rs. 100 crore (US\$ 13.07 million) for the National Technical Textiles Mission, and Rs. 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

(Source <https://www.ibef.org/industry/textiles>)

PEER COMPARISONS

There are no precisely comparable listed companies that can be referred here as Peer Group of our company.



BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk.

For a discussion of certain risks in connection with investment in the Equity Shares, you should read 'Risk Factors' on Page No. 21, for a discussion of the risks and uncertainties related to those statements, as well as 'Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 69 and 157 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Financial Statements.

OUR BUSINESS

Bhandari Hosiery Exports Limited (BHEL) is one of the leading manufacturers of Knitted Fabric and Garments with strong designing capability. The products are sold by the Company to its domestic and international customers. Over the years, BHEL has established a strong loyal customer base in various countries across continents.

The Company owns State of the Art production facility with designing capability equipped with latest equipment and technology at village Meherban, Rahon Road, Ludhiana, Punjab, India. Ludhiana is an established market place for knitted fabric, garments and embroidery. Ludhiana is extremely well connected with the entire country and with abundant availability of skilled and semi-skilled work force.

MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. To acquire and takeover as a going concern the business now being carried on at Ludhiana under the name & style of "Bhandari Hosiery Exports" together with all or any of the assets, rights, privileges and liabilities of that partnership business used in connection therewith or belonging thereto with effect from such date and upon such terms and conditions as may be negotiated and decided by the Directors of the Company, for consideration either by way of allotment of shares in the Company or in cash or partly in one way and partly in other and after such takeover the above firm shall cease to exist.
2. To manufacture, make, produce, cultivate, process, re-process, consume, formulate, prepare, bale, double, cure, comb, blend, spin, weave, gin, refine, alter, convert, exchange, pack, bleach, dye, print, tuft, buy, sell, store, supply distribute, finish, scour, size and otherwise deal in all kinds, descriptions and grades of cotton, silk, linen, nylon, terene, terelene, rayon, jute, hemp, textile, flax, silk, wool, yarn threads, hair, coir, sisai, fiber and fibrous substances, wool, hairs. Carpets, druggist, rugs, floor coverings, linen, cloth, textile, fabrics, felted, netted, looped or flocked staple fiber, other natural, synthetic, man-made fibers and/or fibrous substances including polyesters, poly-acrylonitrate, poluvinyl, acetate, cashmillon, acrylic, fabrics, poly propylene, polymers, monomers, elastomers and resins of all grades and copolymer formulations and forms or as processed goods, poluthelene, polythrene, polyvinyl, chloride, polymethyl, methacy-late, epoxy resins, alykyed resins, melamine polycarbonate, polyamides and all other fibres, allied products, by-products and substitute for or any of them, or dealers of material from the waste realized from the above mentioned products either on its own account or on commission basis.
3. To carry on the business as drapers, dealers, manufacturers, importers, exporters, preparers, buyers, sellers, merchants and financiers of furnishing fabrics, readymade garments, apparel, outfit, knitwear, dress and mantle makers, silk mercers, makers and suppliers of clothing waste of every kind fumers, drapers, haber dashers, milliners, hosiers, gloves makers, lace makers, rope makers, felt and tarpauline makers, feather dressers, tapes and such other articles as may be conveniently produced or manufactured and other woven and knitted fabrics and fabricated cotton, raw cotton, jute, silk, wool, nylon, acrylics, rayon, polyester, velvet or any other type of man made fabrics by whatever name called or made under any process, whether natural or artificial and my mechanical or other means, dealers in and manufacturers of yarn, fabrics, and dealers of materials or all kinds.
4. To carry on the business of manufacturing machinery or providing consultancy or to render designing and engineering services and provide technical knowhow to run and maintain plants and machinery for manufacture of all or any of the above types of goods, materials, raw materials thereof.
5. To carry on the business of dealers, exporters and importers, processors, representatives, agents of all kinds of



- goods and merchandise whether manufactured by the Company or not and as financiers thereof.
6. To establish, purchase, sell, take or lease, hire or otherwise acquire and work any textile mills, handlooms, powerlooms, cotton, gining and pressing factory, jute, hemp or other fiber presses, spinning mills, weaving mills, waste plant process, for pressing merchandise into bales process, buy, sell, import, export, pledge, speculate enter into forward transaction or otherwise deal in jute, cotton, kapas, cotton, seed, flex, hemp, silk and products made thereof.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

SR. NO.	PARTICULARS	DATE OF MEETING	TYPE OF MEETING
1.	Clause V of the Memorandum of Association of the Company: Increasing the Authorized Share Capital of the Company from Rs. 5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 (Fifty lacs) equity shares of face value of Rs. 10.00/- (Rupees Ten Only) each to Rs. 12,00,00,000 /- (Rupees Twelve Crores only) comprising of 1,20,00,000 (One crore and twenty lakhs) equity shares of face value of Rs. 10.00/- (Rupees Ten only) each;	25.02.1995	Resolution dated 25 th February, 1995 of Board of Directors
2.	Clause V of the Memorandum of Association of the Company: Increasing the Authorized Share Capital of the Company from Rs. 12,00,00,000/- (Rupees Twelve Crores only) comprising of 1,20,00,000 (one crore and twenty lakhs) equity shares of face value of Rs. 10.00/- (Rupees Ten Only) each to Rs. 25,00,00,000 /- (Rupees Twenty five Crores only) comprising of 2,50,00,000 (Two crore and Fifty lakhs) equity shares of face value of Rs. 10.00/- (Rupees Ten only) each;	26.10.2006	Resolution dated 26 th October, 2006 of Board of Directors
3.	Sub-division of One Equity Share of Rs. 10 each to Ten Equity Shares of Re.1/= each. Present Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five crores only) comprising of 25,00,00,000 (Twenty Five crores) equity shares of face value of Re. 1/= each.	29.01.2016	Resolution passed by members of the Company vide Postal Ballot, results declared on 29.01.2016

BUSINESS OPERATIONS OF OUR COMPANY

Our Company is a Knitted Fabric and Garment manufacturer with designing capabilities and with fabric dyeing and fabric processing. Our Company also manufactures, processes and trades dyed and un-dyed fabrics.

Our manufacturing unit is located at Village Meherban, Rahon Road, Ludhiana, 141007 Punjab, India.

The products of the Company are knitted hosiery garments such as t-shirts, pullovers, sweat shirts, barmudas, polo-shirts, track suits, pajamas, lowers, ladies knitted tops with embroidery and prints etc. These products are sold in domestic as well as overseas markets.

Company has no Brands of its own.

Company has not imported any technology from abroad. However, the company has been using imported machinery and in the process is making efforts for absorption of latest technology. Company has necessary research and quality control facilities. These efforts has resulted into improvement in efficiency and in quality and reduction in cost of production.

PRODUCTION FACILITIES, CAPACITIES & PROCESSES

We operate at our manufacturing facility with a capacity of 15 tonnes per day (TPD) fabric knitting, a 20 TPD Fabric



Dying, and 20 TPD fabric stenter and compactor processing along with 7,000 units per day garment manufacturing. Part of the dying and processing capacity is also used for job work.

Our main production processes include knitting, dyeing, cutting, sewing, finishing, packing and dispatch of knitted garments. Production processes and storage is performed in seven building blocks all situated at the same location.

The manufacturing unit of the Company is accredited and rated by “amfori BSCI” [<https://www.amfori.org/content/amfori-bsci>]. We hold amfori ID – 356-001020-000 and we were successfully rated by way of a full audit or “amfori Social Audit – Manufacturing” by TUV Rheinland India Pvt Ltd. (<https://www.tuv.com/india/en/>) in year 2022 which is valid upto January 2024.

RAW MATERIALS

Cotton, Spun and polyester yarns of different counts (fineness) and twist is used as a raw material for manufacturing of knitted fabrics which is sourced from yarn spinning mills in north India from Punjab, Himachal Pradesh and Rajasthan and also from the south India where there are numerous export-quality spinning mills using cottons of right ‘micronaire’ value. Cotton yarns of usable counts 1/20s, 1/24s, 1/30s and 1/34s are being produced by few nearby mills in the Derabassi-Lalru area in Punjab and Baddi-Nalagarh area in Himachal Pradesh.

Specially blended yarns like cotton-lycra, cotton modal, viscose etc. are also used for knitting fabrics and is procured from specialized suppliers/ manufacturers depending upon the quantity needed.

Prices of our Raw material are determined by market forces of demand and supply and are also based on the market prices of the base raw-material i.e. cotton, polyester filament and viscose etc.

Quality Dyes and Chemicals are required for processing fabrics.

Primary and secondary packing material is procured for packing and dispatches of finished garments.

MANUFACTURING AND OTHER PROCESSES

Our Plant at Ludhiana is engaged in the following manufacturing processes.

- Yarn Purchase
- Knitting
- Dyeing/ Washing
- Fabric Finishing (Stenter/ Compaction)
- Cutting
- Printing/ Embroidery
- Stitching
- T-cutting/ Raw checking/ Final checking
- Packing
- Dispatch

UTILISATION CAPACITY OF OUR COMPANY

FACILITY	FINANCIAL YEAR 2023			FINANCIAL YEAR 2022			FINANCIAL YEAR 2021		
	Installed Capacity	Processed Quantity	Capacity Utilization (%)	Installed Capacity	Processed Quantity	Capacity Utilization (%)	Installed Capacity	Processed Quantity	Capacity Utilization (%)
Fabric Processing (MT)	6000	4702	78.37%	6000	4910	81.83%	6000	4089	68.15%
Garment manufacturing (pieces)	2100000	2510862	120%	1650000	1484799	89.99%	1650000	1255927	76.12%

Collaborations

We do not have any collaborations currently.

Corporate Social Responsibility



We have adopted a Corporate Social Responsibility (“CSR”) policy approved by the Board. We have set up a CSR committee in compliance with the requirements of the Companies Act and the relevant rules. We understand our responsibility towards the society in which it operates and is initiating small but significant steps in bringing positive changes in the environment for sustainable development taking into the consideration the interest of various stakeholders with the rapidly changing corporate environment, more functional autonomy, operational freedom etc.

Insurance

All properties and insurable interests of the Company including buildings, plant & machinery and stocks have been adequately insured. We have obtained following insurance policies from United India Insurance Company Limited.

- Standard Fire and Special Perils Policy – Building and Stocks
- Machinery Breakdown Insurance Policy – Machinery
- Burglary First Loss Policy – Stock in trade or all sort of goods in the custody of the Insured
- Boiler and Pressure Plant Insurance Policy –
- Public Liability Industrial Policy – with indemnity cover for Garment Makers

These policies insure our building, furniture, fittings, office equipment, machinery, inventory of whatever kind, any other office contents from earthquake, fire, etc. and also against machinery breakdown.

Although, we will take appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Human Resources

Throughout the year under review, the Company continues to make strides towards improving HR processes and practices to build the organization for long-term sustainability. The Company emphasizes on fostering personal growth and development within an environment that promotes professionalism and excellent performance. The Company has focused on developing staff capabilities as this will enable it to achieve higher operational standards.

Following is a department wise employee break-up:

DEPARTMENT	No.	Department	No.
Accounts	13	Grey Fabrics	21
Administration	9	HR Department	2
Boiler	7	House Keeping	1
Cutting Department	13	Knitting	8
Color Store	8	Laboratory	12
Dispatch	4	Merchandising	14
Dyeing	40	Maintenance	8
Dyeing and Finishing	42	Printing	2
Electrical	8	Sample Department	11
Embroider	2	Stitching	86
ETP	9	Stores	2
EDP	5	Security	14
Exports	1	Quality Control Department	4
Fabric	5	Yarn Stores	4
Finishing	30	Total	385

The total strength of employees may vary due to fresh appointments or resignations from time to time. The Company is authorized to employ upto 500 employees as per its license issued under the provisions of the Factories Act.

Retirement Benefits offered to the work force are:

a.	Short term benefits	Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
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b.	Long term post retirement	Post retirement benefits comprise of Provident fund and gratuity which are accounted for as follows:
	i. 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.
	ii. 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.
	iii. Leave with wages	Provisions for leave with wages are made on the basis of leave accrued to the employee during the year.

Competition

We face competition from other manufactures of Garments and Apparels products in the domestic market as well as in international market. Even with a diversified product portfolio, quality approach, modern and innovation-based technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a product-based Company driven by plans to introduce new designs and products that have good market value and satisfy a wide range of customers.

Health Safety and Environment

We aim to comply with applicable health and safety regulations and other requirements in our operations. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices and warehouses, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Our policy with respect to health, safety and environment intends to:

- Manage and maintain health, safety and ergonomics at the workplace.
- Prevent incidents and occupational health hazards.
- Provide Personal Protective Equipment (PPE) as per designated area of activity.
- To ensure upkeep and proper housekeeping of the entire plant premises.
- Follow a documented emergency evacuation procedure and communication protocol.
- Have regular interaction with employees regarding matters affecting their health and safety.
- To ensure adequate ventilation and illumination for a safe and ergonomic workplace.
- To reuse and recycle packaging material.
- Efficient use of water and energy.
- To review and revise policy regularly.

MARKETING & DISTRIBUTION NETWORK

The Company sells its products to identified wholesale customers and through them our products are sold out to actual users of more than 15 states across India. Our exports are primarily to buyers from Mexico, Spain, Dubai, Kenya, Qatar and Ethiopia.

However, we are yet to establish our own brand.

OUR STRENGTHS

Experienced Promoters and Locational Advantage:

Company's promoters have decades-long experience in the business of Textiles and apparel and is having long standing relationships with suppliers and customers.

Location:

Ludhiana is an established market for fabric as well as for knitted printed garments with regular visits of buyers in this established market which also enjoys cordial proximity for the raw material providing yarn mills/ fabric mills.



Sound Market Position and Trusted Strong Clientele:

The Company has its own strong and trusted customer clientele which is comfortable with and supportive to the efforts being made by the company of introducing new designs and also experimenting with modifications in fabric textures. Majority of customers enjoy full comfort and confidence while working with the company which is so essential for long term relationships.

Efficient working capital management:

Company efficiently manages its working capital, with adequate inventory levels and moderate debtors' cycle. Efforts are on to further streamline the same in fiscal 2024 onwards.

Sound operating efficiency:

The healthy operating efficiency is reflected in healthy return on capital employed backed by low yet improving operating margin and faster rotation of capital and scaling-up of operations. The average capacity utilization in last three years remained 76.12% in case of Fabric Processing and 95.38% in case of Garment manufacturing. However, we produced more than our installed capacity in case of Garments in FY 23 as we also purchased semi-finished garments during this period.



OUR MANAGEMENT

BOARD OF DIRECTORS

Articles No. 85 of our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 14 (Fourteen) Directors, unless otherwise determined by our Company in a General Meeting.

As on date of this Letter of Offer, our Company currently has 6 (Six) directors on its Board. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

NAME, DESIGNATION, ADDRESS, OCCUPATION, TERM, NATIONALITY, DATE OF BIRTH AND DIN	AGE	OTHER DIRECTORSHIPS
Mr. Nitin Bhandari Designation: Chairman & Managing Director DIN: 01385065 Date of Birth: 24 th August 1983 Occupation : Business Address: Queens Enclave, South City, Ayali Khurd, Ludhiana Nationality: Indian Original Date of Appointment: 29 th Sep 2015	38	<ul style="list-style-type: none">Tikani Exports Limited
Mr. Vikas Nayar Designation: Non Executive Director DIN: 0071047 Date of Birth: 11 th Oct 1973 Occupation : Business Address: 27, SECTOR 18 A, CHANDIGARH 160018 Nationality: Indian Original Date of Appointment: 29 th October, 2004	50	
Mr. Rajesh Kumar Designation: Non Executive Director DIN: 05160964 Date of Birth: 20 th February 1971 Occupation : Business Address: Village Janhan, Post Office Samtana, Hamirpur, Himachal Pradesh 176042 Nationality: Indian Original Date of Appointment: 17 th March 2020	52	

NAME, DESIGNATION, ADDRESS, OCCUPATION, TERM, NATIONALITY, DATE OF BIRTH AND DIN	AGE	OTHER DIRECTORSHIPS
Mr. Surinder Kumar Kapoor Designation: Independent Director DIN: 08442523 Date of Birth: 26th April 1956 Occupation : Business Address: 66, W-31, Gole Puli Talan Tillo, Jammu 180001 Nationality: Indian Original Date of Appointment: 1st June 2019 Re-appointment as Independent Director: 01.06.2022	67	
Ms. Alka Gambhir Designation: Independent Director DIN: 09044278 Date of Birth: 9-12-1976 Occupation : Academics Teaching Address: House No. 67-B, Civil Lines, Udham Singh Nagar, Ludhiana-141001 Nationality: Indian Original Date of Appointment: 31st August, 2022	46	<ul style="list-style-type: none"> • Tikani Exports Limited
Ms. Komal Bhalla Designation: Independent Director DIN: 09106916 Date of Birth: 18th November, 1992 Occupation : Professional Address: HM 292, PNB Colony, Jamalpur, Focal Point, Ludhiana, Punjab-141010 Nationality: Indian Original Date of Appointment: 28th August 2023	32	<ul style="list-style-type: none"> • Ritesh International Ltd.

BRIEF DETAILS OF OUR DIRECTORS

1. Mr. Nitin Bhandari

Mr. Nitin Bhandari aged 38 years, a resident Indian national, is the Promoter-Director of our Company. He is currently serving as Chairman and Managing Director. He has done Masters in Business Administration from Institute from UK.

He has developed vast experience in the fields of Finance, Production Management, Merchandising, setting up of green field textile projects and their modernization and expansion, viability studies, liaison with foreign and domestic buyers, marketing, cost optimization, and wastage control etc. Besides our Company he is also on the Board of Directors of Tikani Exports Limited.

2. Mr. Vikas Nayar

Mr. Vikas Nayar has an intense exposure of over 22 years of Knitting, Hosiery and Embroidery business, funds planning and resources management. He also has strong exposure in Merchandising, Retailing, Cost Optimization, Waste reduction and in dealing with international and domestic customers. He has been a contributor to the growth of the Company. He does not hold Directorship in any company other than our Company.

3. Mr. Rajesh Kumar

Mr. Rajesh Kumar is around 52 years of age; he holds a Post Graduate Diploma in Human Resource and Industrial Management with over 29 years of HR exposure. He is Head of the HR Department of Bhandari Hosiery Exports Limited. He remained HR Executive in several companies before joining Bhandari Hosiery Exports Limited. He does not hold Directorship in any company other than our Company.

4. Mr. Surinder Kumar Kapoor

Mr. Surinder Kumar Kapoor, aged around 66 years, is a Science Graduate and Certified Associate of Indian Institute of Bankers (CAIIB) with banking managerial exposure of over 41 years with special expertise in Credit Management and Human Resources (HR). He remained AGM, DGM, Inspection & Regional Head for several years in State Bank of India before retiring in year 1996. He is an Independent Director in our Company. He does not hold Directorship in any company other than our Company.

5. Ms. Alka Gambhir

Ms. Alka Gambhir is an Independent Director in our company. She holds Masters in Management, Masters in English, and also Bachelors in Education. She is around 46 years of age and has exposure of over 13 years in academics. Besides our Company she is also on the Board of Directors of Tikani Exports Limited.

6. Ms. Komal Bhalla

Ms. Komal Bhalla is Company Secretary by profession. She is around 31 years of age and has experience of more than 7 years in management. She has valuable knowledge of The Companies Act and other applicable laws to company. She also hold position as Independent Director in Ritesh International Limited.

PAST DIRECTORSHIPS IN SUSPENDED COMPANIES

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

COMMITTEES OF OUR BOARD

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

Details of each of these committees are as follows:

1. Audit Committee

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two Independent Directors.

During the financial year 2022-23, five meetings of the Audit Committee were held on 30-5-22, 13-8-22, 31-8-22, 14-11-22 and 13-2-23 respectively. The gap between two Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

SR. NO.	Name	Designation/ Position	Meetings attended
1	Mr. Surinder Kumar Kapoor	Independent Director, Chairman	5
2	Ms. Geetika Bhalla	Independent Director, Member	5
3	Mr. Nitin Bhandari	Managing Director, Member	5

**Ms. Geetika Bhalla resigned from membership of Audit Committee w.e.f. 14.08.2023 and Mrs. Alka Gambhir Non executive Independent Director was appointed as member of Audit Committee w.e.f. 14.08.2023.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee met six times during the financial year 2022-23. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022- 23 are detailed below:

SR. NO.	Name	Designation/ Position	Meetings attended
1	Mr. Surinder Kumar Kapoor	Independent Director/ Chairman	6
2	Ms. Geetika Bhalla	Independent Director, Member	6
3	Mr. Vikas Nayar	Director, Member	6

**Mrs. Geetika Bhalla resigned from membership of Nomination & Remuneration Committee w.e.f. 14.08.2023 and Mrs. Alka Gambhir Non executive Independent Director was appointed as member of Audit Committee w.e.f. 14.08.2023.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee met five times during the financial year 2022-23 on 30-5-22, 13-8-22, 31-8-22, 14-11-22 and 13-2-23. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

SR. NO.	Name	Designation/ Position	Meetings Attended
1	Mr. Vikas Nayar	Director, Chairman	5
2	Mr. Surinder Kumar Kapoor	Independent Director, Member	5
3	Mr. Nitin Bhandari	Managing Director, Member	5

4. Corporate Social Responsibility Committee

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet CSR objectives. The Corporate Social Responsibility Committee met five times during the financial year 2022-23 on 30-5-22, 13-8-22, 31-8-22, 14-11-22 and 13-2-23. The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

SR. NO.	Name	Designation/ Position	Meetings attended
1	Mr. Nitin Bhandari	Managing Director, Chairman	5
2	Mr. Vikas Nayar	Director, Member	5
3	Mr. Surinder Kumar Kapoor	Independent Director, Member	5

The Company has constituted CSR Committee and CSR Policy is duly adopted by the Company as per the regulatory norms. BHEL considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. BHEL CSR initiatives are on the focus areas approved by the Board benefiting the community.

"**Project Monitoring Committee**" (PMC) was formed by our Board of Directors in its meeting held on 05th day of May, 2023 with specific objective to interact with the Lenders, capex suppliers, consultants with reference to the execution of the Expansion Plan and also to take care of the fund raising as means of finance of the same inter alia including the Rights Issue. PMC is Chaired by the Independent Director Mr. Surinder Kumar Kapoor and other members part of PMC are Mr. Nitin Bhandari and Mr. Rajesh Kumar. CFO of the Company and the Company Secretary & Compliance Officer are the KMPs who participate in the meetings of the PMC.

OUR PROMOTERS & PROMOTER GROUP

Promoters:

- **Mr. Nitin Bhandari** – Presently he is the Chairman and Managing Director of our Company; he did his Masters in Business Administration in Entrepreneurial Management from The European Business School, London, UK in year 2006. He holds 17.18% of the equity of the Company and is the biggest shareholder in the Company.
- **Ms. Nitika Bhandari** – She did her studies in Pearl Institute of Apparel Designing in year 2003. She holds 5.92% of the equity of the Company and is the second largest shareholder in the Company. She is sister of Mr. Nitin Bhandari.
- **Ms. Kusum Bhandari** – She is graduate in Arts and she is mother of Mr. Nitin Bhandari and wife of Mr. Naresh Bhandari and has been associated with the Company since its beginning.
- **Mr. Naresh Bhandari** – He is an entrepreneur who developed the business; he is a Commerce Graduate with overall experience of over 50 years. He is father of Mr. Nitin Bhandari.

Promoter Group:

- **Ms. Mamta Bhandari**, aged 29 years and **Mr. Shiva Bhandari** aged 27 years are daughter and son respectively of Mr. Kundan Lal Bhandari, the elder brother of Mr. Naresh Bhandari and they each hold 1,675 equity shares in the Company. These shares are not under any lock-in and there is no encumbrance on these shares held by them.
- **Mr. Ankit Bhandari** aged 34 years is the son of Mr. Madhusudan Bhandari, the younger brother of Mr. Naresh Bhandari. He does not hold any equity share in the Company as on the date.
- **Late Mr. Suresh Bhandari**, a non-resident Indian settled in United States of America, was the uncle of Mr. Nitin Bhandari and younger brother of Mr. Naresh Bhandari. He passed away in year 2018 and is survived by his only daughter as his legal heir who is also a non-resident Indian settled in USA only. The Company and the RTA confirm that they are yet to receive any application for transmission of the equity shares numbering 51,332 (0.04% of the total equity of the Company) continued to be held by late Mr. Suresh Bhandari.

As on date of letter of offer, Shareholding of Promoters and Promoter Group:

SR. NO.	NAME	NO. OF SHARES	PERCENTAGE (%)
1	Mr. Nitin Bhandari	2,51,78,300	17.18
2	Ms. Nitika Bhandari	86,76,062	5.92
3	Ms. Kusum Bhandari	26,37,338	1.80
4	Mr. Naresh Bhandari	6,750	0.01
5	Ms. Mamta Bhandari	1,675	0.00
6	Mr. Shiva Bhandari	1,675	0.00
7	Mr. Ankit Bhandari		
	Sub Total - Shares held by Indian Resident Promoters/ Promoter Group	3,65,01,800	24.91
8	(Late) Mr. Suresh Bhandari, <i>(with legal heirs, request for transmission of shares yet to be received)</i>	51,332	0.04
	Total Holding of Promoters	3,65,53,132	24.95

Our Company has formulated Dividend Distribution Policy which is available on the website of the Company.

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to working capital requirements, profit earned during the Fiscal, capital expenditure requirements, cash flow to meet contingencies, liquidity, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by

OUR DIVIDEND POLICY

a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities.

Our Company has been declaring dividends in the past; since FY 2018-19 till FY 2021-22 the company has regularly declared dividend @ 1% i.e. Re. 0.01 per Equity share of Face Value of Re. 1/= each.

The Board of Directors of the Company has proposed declaration of a final dividend based on its working of FY 2022-23 @ 1% i.e. Re. 0.01 per Equity Share of Face Value of Re. 1/= each.



ORGANISATION CHART

Following critical members are part of our Company.

Name	Profile/ Designation	Qualification	Years of Experience
Mr. Nitin Bhandari	Managing Director	MBA	15
Mr. Naresh Bhandari	Exports Advisor	BA	40
Mr. Aditi Bhandari	Head of Department - Administration	MBA	15
Ms. Misha Malhotra	Chief Financial Officer	B.Com, M.B.A, CS Inter	5
Mr. Atul Girdhar	Production Manager	Graduate	18
Mr. Himanshu Kumar	Dyeing Master	Graduate	15
Mr. Vinod Bharadwaj	Head Of Department Sales	MBA	10
Mr. Rakesh Kumar	Head Of Department Garments	Graduate	15
Mr. Daljeet Singh	Company Secretary and Compliance Officer	M.Com CS	5
Mr. Parveen Malhotra, CA	Chartered Accountant Consultant	B.Com FCA	32

SECTION VII - FINANCIAL INFORMATION

Following Page Nos. 68 to 151 contain the following:

- (i) Report of Independent Auditors for FY 23 and for FY 22,
- (ii) Financial Statements for FY 23 and for FY 22 along with
Annexure

For Accounting Ratios please refer Page No. 152.



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Independent Auditor's Report

TO THE MEMBERS OF BHANDARI HOSIERY EXPORTS LTD.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Results of Bhandari Hosiery Exports Ltd. (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Results give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.





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Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition:</p> <p>Refer note no. 2 of the standalone financial statements. The Company's sales revenue mainly arose from manufacture and sale of Garments, Knitted cloth, Fabric Dyeing and processing etc. The Company recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there is significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognized in the incorrect period, a key audit matter</p>	<p>Principal audit procedures performed:</p> <p>We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs.</p> <p>We tested the relevant information technology systems used in recording revenue including company's system generated reports, based on which selection of samples was undertaken.</p> <p>On sample basis, we performed test of details of sales recorded close to the year-end through following procedures:</p> <ul style="list-style-type: none">i) Analyzed the terms and conditions of the underlying contract with the customer, andii) Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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





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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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

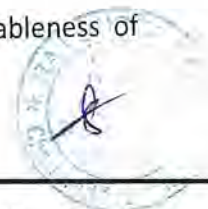
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the company.



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Mob. 78892-79571

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 13 to the standalone financial statements
- b.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with Section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.





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2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of

M/s. Raj Gupta & Co. Chartered Accountants

Firm Registration Number:000203N

by the hand of



Sd/- Sandeep Gupta

Partner

Membership No.:529774

UDIN: 23529774BGVLHX1742

Place: Ludhiana

Dated: May 26th,2023



Raj Gupta & Co.

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Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bhandari Hosiery Exports Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Bhandari Hosiery Exports Ltd.** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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





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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting criteria established by the Company considering the essential components of





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internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

M/s. Raj Gupta & Co. Chartered Accountants
Firm Registration Number: 000203N

by the hand of


Sd. Sandeep Gupta
Partner

Membership No: 529774

UDIN: 23529774BGVLHX1742

Place: Ludhiana

Dated: May 26th, 2023



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- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are not in agreement with the books of account of the Company and statements filed for quarters ended 30 June 2022, 30 September 2022 and 31 December 2022 and 31 March 2023 with State Bank of India, HDFC Bank Limited, Union Bank of India, and South India Bank Ltd. where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The differences were in case of Debtors and Inventory amounting to ` 3.95 crores (amount reported – ` 73.51 crores vs amount per books of account – ` 77.46 crores), ` 8.61 crores (amount reported – ` 69.21 crores vs amount per books of account – ` 77.82 crores) and ` 2.17 crores (amount reported – ` 72.25 crores vs amount per books of account – ` 74.42 crores) and ` 5.68 crores (amount reported – ` 73.97 crores vs amount per books of account – ` 79.65 crores) for the quarter ended 30 June 2022, 30 September 2022, 31 December 2022 and 31 March 2023 respectively.
- iii, The Company has not made investments in companies and also has not granted unsecured loans to other parties, during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the order is not applicable.
- (b) The Company has not made any investments in companies during the year and hence reporting under clause 3(iii)(b) of the order is not applicable.
- (c) The company has not granted any loans during the year, and hence reporting under clause 3(iii)(c) of the order is not applicable.
- (d) The Company has not granted any loans during the year, hence there is no overdue amount remaining outstanding as at balance sheet date, and hence reporting under clause 3(iii)(d) of the order is not applicable.
- (e) The Company has not renewed or extended or granted fresh loans to settle the overdues of existing loans given to the same parties and hence reporting under clause 3(iii)(e) of the order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.





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- iv. The Company has not granted any loans specified in Section 185 of the Companies Act, 2013.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under Clause 3(v) of the order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under 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. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

However, there were some undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable. The details are as below: -

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount (Rs. crores)	Amount Unpaid (Rs. in crores)
Income-tax Laws	Income-tax (other than TDS)	Neither suit is filed nor amount is paid by the company.	A.Y. 2019-20, A.Y. 2018-19, A.Y. 2009-10	0.05	0.05
Income-tax Laws	Income-tax (TDS & TCS)	But the Company is contemplating filing rectification application and believed there are fair chances of success.	F.Y. 2021-22, F.Y. 2020-21, F.Y. 2019-20	0.04	0.04

* amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order.

- (b) There are no statutory dues referred to in sub clause (a) above which have not been deposited on account of a dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income



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TaxAct, 1961.

- ix (a) The company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.
- (c) Based on the documents provided to us the Company's term loans were applied for the purposes for which the loans were obtained and no such amount is diverted for any other purpose and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the company has not taken any funds from any entity or person on account of and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x (a) The Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) No whistle-blower complaints were received during the year by the Company.
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company is in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of such



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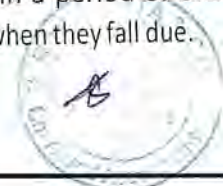
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related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. (a) In our opinion, the company has an adequate internal audit system which commensurate with the size and nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence the reporting under clause 3(xv) is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and future events or conditions that may cause the Company to cease to continue as a going concern. We neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from balance sheet date, will get discharged by the company as and when they fall due.





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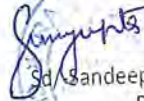
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- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company has no ongoing projects. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

Place: Ludhiana
Dated: May 26th, 2023

For and on behalf of
M/s. Raj Gupta & Co. Chartered Accountants
Firm Registration Number: 000203N
by the hand of


Sd/ Sandeep Gupta
Partner

Membership No.: 529774
UDIN: 23529774BGVLHX1742

BHANDARI HOSIERY EXPORTS LTD.**Vill. Meharban, Rahon Road,****Ludhiana**

STATEMENT OF ASSETS AND LIABILITIES AS ON 31.03.2023

Particulars	Note	Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Accounting Policy	1		
Notes To Accounts	2		
ASSETS			
Non Current Assets			
Fixed Assets			
a. Property, Plant & Equipments	3	5,196.44	5,551.03
b. Capital Work in Progress		113.30	-
c. Intangible Assets		0.11	1.25
d. Financial Assets			
i. Investments			
ii. Loans			
iii. Other Financial Assets			
e. Other Non Current Assets			
f. Deferred Tax Assets			
Total Non Current Assets		5,309.85	5,552.28
Current Assets			
a. Inventories	4	7,965.58	7,410.46
b. Financial Assets			
i. Investments			
ii. Trade Receivables	5	6,855.89	6,901.20
iii. Cash & Cash Equivalents	6	286.72	249.71
iv. Bank Balances other than iii above		-	-
v Other Financial Assets	7	52.28	50.23
c. Other Assets	8	1,255.40	1,619.10
Total Current Assets		16,415.87	16,230.69
TOTAL ASSETS		21,725.72	21,782.97
EQUITY & LIABILITIES			
EQUITY			
Equity Share Capital	9	1,465.27	1,465.27
Other Equity	10	7,247.02	6,690.16
Total Equity		8,712.29	8,155.43
I LIABILITIES			
Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	11A	2,639.12	3,564.64
ii. Other Financail liabilities			
b. Provisions			
c. Deferred Tax Liability	12	363.10	387.95
d. Other Non Current Liabilities			
Total Non Current Liabilities		3,002.22	3,952.59
II Current Liabilities			
a. Financial Liabilities			
i. Borrowings	11B	6,777.28	6,756.03
ii. Trade payables	13	1,272.37	1,196.85
iii. Other Financail Liabilities			
b. Other Current Liabilities	14	1,736.30	1,628.21
c. Provisions	15	225.26	93.87
d. Current tax liabilities/net			
TOTAL		10,011.21	9,674.96
		21,725.72	21,782.97

The accompanying Notes referred to above form an integral part of the Financial statements

As per our separate report of even date

For Raj Gupta & Co.

FRN : 000203N

Chartered Accountants

XIV	Net Profit available for Equity Shareholders	641.68	627.06
	Number of equity shares	14,65,26,950	14,65,26,950
XV	Basic Earning per Share of Rs. 1/- each	0.44	0.43
	Diluted Earning per Share of Rs. 1/- each	0.44	0.43

The accompanying Notes referred to above form an integral part of the Financial

As per our separate report of even date

For Raj Gupta & Company

FRN : 000203N

Chartered Accountants

(Sandeep Gupta

Partner : M NO :529774

Place : Ludhiana

Date : 26/05/23

Misha Malhotra
(Misha Malhotra)
CFO

Daljeet Singh
(Daljeet Singh)
Company Secretary

Nitin Bhandari
(Nitin Bhandari)
Mg. Director
DIN : 01385065

UDIN: 23529774 BGV LHA 1742

BHANDARI HOSIERY EXPORTS LTD.**CASH FLOW STATEMENT**

CASH FLOW FROM OPERATING ACTIVITIES	Current Period ended	Previous Year Ended
	31.03.2023	31.03.2022
Net profit before tax and extraordinary items	789.01	685.01
Adjustments for		
Depreciation after written back	520.68	546.87
Less : Interest received	(8.53)	(15.41)
Interest & financial expenses	1,033.77	1,027.45
Adjustments against Reserve & surplus	-	-
Operating profit before working capital changes	2,334.93	2,243.91
Adjustment for :		
Decrease / Increase (-) in debtors & receivables	406.95	(1,928.13)
Decrease / Increase (-) in inventories	(555.12)	247.12
Increase / Decrease (-) in trade payables	315.01	945.60
Cash Generated from operations	2,501.76	1,508.50
Less Interest paid	1,033.77	1,027.45
Less Direct tax paid & others	163.23	54.00
Cash flow before extraordinary items	1,304.77	427.06
Extra ordinary items(Provision for Dividend)/WOFF	93.77	14.65
Net cash from trading activities	1,210.99	412.41
CASH FROM INVESTING ACTIVITIES		
issue of fresh capital	-	-
Share premium on fresh capital	-	-
Purchase of fixed assets	(305.35)	(369.90)
Depreciation Written Back	(39.62)	(21.73)
Sale of fixed assets	66.73	496.88
Interest received	8.53	15.41
Realisation from investments	-	-
Net cash from investing activities	(269.72)	120.66
CASH FROM FINANCING ACTIVITIES		
Increase in bank borrowing	(904.27)	(508.26)
Repayment of short term borrowing	-	-
Repayment of unsecured loans if any	-	-
Net cash from financing activities	(904.27)	(508.26)
Net increase or decrease in cash & cash equivalent	37.02	24.81
Cash & Cash equivalents (Opening Balance)	249.70	224.90
Cash & Cash equivalents (Closing Balance)	286.72	249.70
	(0.00)	0.00

For Raj Gupta & Company

FRN : 000203N

Chartered Accountants

(Sandeep Gupta)

Partner : M NO :529774

Date: 26/05/23

Place : Ludhiana

CFO

C.Secretary

(Nitin Bhandari)

Mg. Director

DIN : 01385065

BHANDARI HOSIERY EXPORTS LTD.

NOTE -3- Property , Plant & Investments for the year ending

Current Year Ending 31.03.2023

PARTICULARS	GROSS BLOCK as at 01.04.2022	ADDITIONS DURING THE YEAR	SALE / TRANSFER DURING THE YEAR	GROSS BLOCK AT 31.03.2023	DEPRECIATION UP TO 01.04.2022	DEPRECIATION Reversed	DEPRECIATION FOR THE YEAR	DEPRECIATION UP TO 31.03.2023	NET BLOCK AS AT 31.03.2023	NET BLOCK AS AT 31.03.2022
FREE HOLD LAND	37.33	-	-	37.33	-	-	-	-	37.33	37.33
BUILDING & SITE DEVELOPMENT	1,693.23	-	-	1,693.23	630.33	-	53.61	683.95	1,009.28	1,062.90
TEMPORARY FITTING	9.16	-	-	9.16	9.16	-	-	9.16	-	-
PLANT & MACHINERY	7,091.60	101.92	-	7,193.53	2,843.11	-	428.29	3,271.40	3,922.12	4,248.49
FURNITURE & FIXTURE	72.04	2.07	-	74.11	70.56	-	0.36	70.92	3.18	1.48
OFFICE EQUIPMENT	25.63	5.60	-	31.24	24.36	-	1.66	26.03	5.21	1.27
ELECTRIC FITTING & EQUIPMENT	184.87	4.48	-	189.34	167.38	-	6.68	174.06	15.28	17.49
CAR	291.98	77.98	66.73	303.23	109.90	39.62	28.92	99.20	204.03	182.08
VEHICLES	24.16	-	-	24.16	24.16	-	-	24.16	-	-
TOTAL	9,429.99	192.05	66.73	9,555.31	3,878.96	39.62	519.54	4,358.88	5,196.44	5,551.03
CAPITAL WORK IN PROGRESS. I	-	113.30	-	113.30	-	-	-	-	113.30	-
WIP CETP DEPOSIT	-	-	-	-	-	-	1.14	2.10	-	-
INTEGIBLE ASSETS	2.21	-	-	2.21	0.96	-	-	-	0.11	1.25
TOTAL	9,432.20	305.35	66.73	9,670.82	3,879.92	39.62	520.68	4,360.97	5,309.85	5,552.28
Previous Year	9,559.17	369.90	496.88	9,432.20	3,354.78	21.73	546.87	3,879.92	5,552.28	6,204.40



BHANDARI HOSIERY EXPORTS LIMITED
RAHON ROAD, LUDHIANA

NOTE 4- INVENTORIES		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	(Valued at Cost or net realisable value, whichever is lower as certified by the Management of the Company)		
	Stores and Spares (at cost)	445.83	402.73
	Raw Materials (at cost+expenses)	2,126.35	2,005.21
	Finished Goods & wastage (at cost or Realisable value which ever is less)	2,935.86	2,850.38
	Work-in-Progress (at estimated cost)	2,457.55	2,152.15
		7,965.58	7,410.46
Inventories: Method of Valuation			
i	Stores and Spares and raw material are valued at Cost.		
ii	Semi Finished Goods are Valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever, is less.		
iii	Finished goods are valued at cost or net realizable value, whichever is less. Cost includes materials, direct labour and allocable overheads.		
NOTE 5- TRADE RECEIVABLES		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
a)	Debts out standing for a period exceeding six month from the date they are due for payment		
	(Unsecured, Considered Goods unless otherwise stated)		
	Domestic (considered good)	147.02	165.41
	Domestic (disputed dues)	97.47	136.21
	Less Provison for bad & doubtful debts	(10.49)	
	Foreign	128.76	113.05
	TOTAL(a)	362.76	414.67
b)	Others		
	Domestic	5,594.73	5,676.63
	Foreign	898.41	809.90
	TOTAL(b)	6,493.14	6,486.53
	TOTAL(a+b)	6,855.90	6,901.20
*Refer Note no 5.1 of Notes to Financial Statements.			



NOTE 5.1: - Trade Receivable ageing (As on 31st March 2023)

Outstanding for following periods from due date of payment

Particulars						(AMT IN LAC)
	Less than 6 Months	6 months-1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME		-	-	-	-	-
(ii) Others	6493.15	128.75	147.01	-	-	6768.91
(iii) Disputed Dues- Msme		-	-	-	-	0
(iv) Disputed Dues- Others		-	-	-	97.47	97.47
Provison for Bad Debts					(10.49)	(10.49)
(v) Unbilled Dues		-	-	-	-	-

Trade Receivable ageing (As on 31st March 2022)

Outstanding for following periods from due date of payment

Particulars						(AMT IN LAC)
	Less Than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME		-	-	-	-	-
(ii) Others	6486.54	113.05	165.4	-	-	6764.99
(iii) Disputed Dues- Msme		-	-	-	-	0
(iv) Disputed Dues- Others		-	-	38.74	97.47	136.21
(v) Unbilled Dues		-	-	-	-	-



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NOTE 6- CASH & BANK BALANCES		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
<u>Cash and cash equivalent</u>			
	Cash in hand	3.07	22.84
	Balance with scheduled bank in current accounts	146.98	133.85
	Bank Deposit with original Maturity of more than 3 month	136.66	93.02
		286.72	249.71
NOTE 7- OTHER FINANCIAL ASSETS		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	(Unsecured, Considered Good unless otherwise stated)		
a)	Advances recoverable in cash or kind or value to be received	16.62	14.57
b)	Securities and Deposits	35.66	35.66
	TOTAL	52.28	50.23
NOTE 8- OTHER CURRENT ASSETS		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Refunds Receivable(VAT, GST, IGST,TUFF, MAT et	541.03	425.59
	Export incentive Receivables	90.51	70.54
	Advances recoverable in cash or kind	92.50	72.04
	Cheque in Hand	-	-
	Advances to suppliers for capital goods		
	Advances to suppliers of raw material, stores, goods in tansit	517.81	1,039.67
	Pre paid exp.	13.55	11.25
	TOTAL	1,255.40	1,619.10



BHANDARI HOSIERY EXPORTS LIMITED
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<u>NOTE 9- SHARE CAPITAL</u>	Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Authorised Capital 25,00,00,000 equity shares of Rs. 1/- each (Previous Year 25000000 equity shares of Rs. 1/- each)	2,500.00	2,500.00
Issued Share Capital 14,65,26,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 14652695 equity shares of Rs. 1/- each fully paid up)	1,465.27	1,465.27
Subscribed & Paid up Capital 14,65,26,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 14652695 equity shares of Rs. 1/- each fully paid up)	1,465.27	1,465.27
TOTAL	1,465.27	1,465.27
<u>NOTE 10- OTHER EQUITY</u>	Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Share Premium Reserves		
Opening balance	1,559.75	1,559.75
Addition during the year		
Balance	1,559.75	1,559.75
General Reserve		
Opening Balance	288.05	288.05
Balance carried forward	288.05	288.05
Retained Earnings		
Balance brought forward from previous year	4,842.36	4,230.00
Add : Net Profit for the Current Year	641.68	627.01
Less : Dividend Paid on Equity Shares	(14.65)	(14.65)
Less : Earlier years amounts trfd	(70.16)	-
	5,399.22	4,842.36
TOTAL	7,247.02	6,690.16



NOTE 10.01: Reconciliation of shares outstanding at the beginning and at the end of the reporting periods

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the period (146,526,950 equity shares of Rs 1/- each)	146,526,950	146,526,950	146,526,950	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 (146,526,950 equity shares of Rs 1/- each)	146,526,950	146,526,950	146,526,950	146,526,950

10.02 Shares held by each share holder holding more than 5% share in the company Equity shares of Rs. 1/- each.

Name of Shareholder	31.03.2023 No of Share	% of Holding	31.03.2022 No of Share	% of Holding
1. NITIN BHANDARI	25,178,300	17.18	25,178,300	17.18
2. NITIKA BHANDARI	8,676,062	5.92	8,676,062	5.92

10.03 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)					
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
EQUITY SHARES:						
Opening Balance at beginning of year -Shares of face value of Rs. 1/- each (Previous years 2014-15 and before shares of face value of Rs. 10/- each)	146,526,950	146,526,950	146,526,950	146,526,950	14,652,695	14,652,695
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
Rights issue/FPO/Preferential issue/ Conversion of Warrants/ any other	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL/BAL. AT CLOSE OF YEAR	146,526,950	146,526,950	146,526,950	14,652,695	14,652,695	14,652,695
PREFERENCE SHARES**:	NIL	NIL	NIL	NIL	NIL	NIL



Fully paid up pursuant to contract(s) without payment being received in cash	N I L	N I L	N I L	N IL	N IL	N IL
Fully paid up by way of bonus shares	N I L	N I L	N I L	N IL	N IL	N IL
Shares bought back	N I L	N I L	N I L	N IL	N IL	N IL
TOTAL/BAL. AT CLOSE OF YEAR	N I L	N I L	N I L	N IL	N IL	N IL

* 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.

*** During the Financial Year 2015-16, each equity share of nominal face value of Rs. 10/- each was sub-divided to 10 equity shares of nominal face value of Rs. 1/- each, resulting in increase in number of equity shares from 1,46,52,695 equity shares of Rs. 10/- each to 14,65,26,950 equity shares of Rs. 1/- each.

**** There are no outstanding warrants/securities convertible into equity shares as at 31st March 2023.

10.04 Terms/rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 1/- 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.

10.05 Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates: NIL/N.A.

10.06 Details of Promoter's Shareholding:

Name	As at 31st March 2023			As at 31st March, 2022		
	Number of equity share	% of total shares	% change during the year	Number of equity share	% of total Shares	% change during the year
Individual/HUF Promoter and Promoter Group						
Nitin Bhandari	25178300	17.18	--	25178300	17.18	--
Nitika Bhandari	8676062	5.92	--	8676062	5.92	--
Kusum Bhandari	2637338	1.80	--	2637338	1.80	--
Naresh Bhandari	6750	--	--	6750	--	--
Suresh K Bhandari	51332	0.03	--	51332	0.03	--
Mamta Bhandari	1675	--	--	1675	--	--
Shiva Bhanadri	1675	--	--	1675	--	--
Total	36553132	24.95	--	36553132	24.95	--

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LONG TERM BORROWINGS			
NOTE 11- BORROWINGS		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Note 11A: Long Term Borrowings (Secured)			
	Term Loans		
a	S.B.I. Term Loan A/C NO. 36625258263	-	214.13
b	Union Bank of India T/L NO.034030100007657	344.00	596.00
c	Term Loan HDFC Bank	773.95	1,017.71
d	Union Bank Of india TL NO.034030100008850	-	14.70
e	Union Bank of India (GECLWCTL A/C 034016990000005)	228.89	176.05
f	SBI GECL WCTL A/c 40014721600	594.96	810.55
g	HDFC BANK LTD. TERM LOAN A/C NO. 003LN6521232000	320.25	479.14
h	South Indian Bank GECL	227.50	280.00
	Less : Term Loan Instalmentd payable within one year	(1,015.55)	(1,069.98)
	Total (a)	1,474.01	2,518.30
Terms of repayment of Term Loans			
	b. Repayment of term loans is Rs.21.00 lacs per month		
	c. Repayment of term loan 60EMi of Rs.20.32 lacs starting from the October 2019 onwards		
	e,f, g & h WCTL under GECL2.0 scheme is repayble in 48 EMI with moratorium of 12 months total tenure of 60 months		
	Security given to the banks		
	* For term loans "a" to "d" of note 5 the first pari pasu charge on the fixed assets is given to the lending banks under consortium on reciprocal basis. Second charge on current assets has been given to lending banks on paripassu basis.		
	** All the credit facilities are guaranteed by personal gurantee of the Managing Director . Term loans at sr.no a to d are also collaterally secured by Equitable mortgage of land and building of Tikani Exports Limited (formerly Bhandari Knit Exports) and also secured by personal guarantee of Sh. Nitin Bhandari)		
	Term Loans	NO. OF INSTALLMENT OUTSTANDING	ROI
	Union Bank of India T/L NO.034030100007657 (@10.75%)	17	10.75%
	Term Loan HDFC Bank (@8.75%)	37	10.25%
	Union Bank of India (GECL WCTL A/C 034016990000005) @7.80%	36	7.80%
	Union Bank of India (GECL WCTL A/C 034016990000005) @7.80%	under moritorium	
	SBI GECL WCTL A/c 40014721600 @7.95%	34	7.95%
	HDFC BANK LTD. TERM LOAN A/C NO. 003LN65212320001(GECL)	24	8.75%
	South Indian Bank GECL	39	9.20%
	HDFC Vehicle loan *	36	7.50%
	Union Bank of India (Car Loan)*	94	7.40%
	Daimler Financial Services India Pvt. Ltd.	84	7.50%
	Financial lease Hire charges obligations	Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
i	HDFC Vehicle loan *	69.50	34.73
	Union Bank of India (Car Loan)*	90.95	102.61
	Long Term Borrowings (Unsecured)		
a	Unsecured Loans from Directors**	1,004.65	909.00
	Total (b)	1,165.11	1,046.34
	Total (a+b)	2,639.12	3,564.64
	* Car Loans are secured by way of hypothecation of respective car to the respective banks & peronal gurantee of the Managing Director		
	** Unsecured loans from director & promoters is as per stupulation by the banks for project term loans and are interest free		



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Note 11B :Short Term borrowings		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
k l	Working capital Limits		
	S.B.I. E.P.C. (@8.15%) & SLC (@10.15%)	29.68	29.95
	S.B.I. CCA 30729399785 (@9.15%)	3,627.62	4,183.73
m N	Union Bank of India CC A/C NO.034015010000004	541.39	-
	South Indian Bank Limited (9.15%)	1,442.29	1,315.13
	HDFC Bank Limited cc Limit (@8.40%)	1,136.29	1,227.22
		6,777.27	6,756.03
	GRAND TOTAL	9,416.39	10,320.67
Security provided to the banks , Financial institutions			
	a) Working capital limits (k,l ,m & n of note 5) are secured by first charge on all stocks consisting of Raw Material, WIP, 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.		
	b) Extension of charge on the entire fixed assets of the company also given to the lending bank on first parripassu basis		
	c) All Working capital limits are guranteed by personal gurantee of the Managing Director.		
	d) Working limits (k, l, m & n) are also collaterally secured by Equitable mortgage of land and building of associate conecrn Tikani Exports Limited.		
	e) CC and EPC Limits are reapyable on demand. Present Rate of interest on these limits is EPC @ 7.55, CC @9.15% p.a(SBI), . There is no default on repayment of intetest on these accounts.		
	f) SLC Limit is reapyable on demand. Rate of interest on this limits is 10.15% p.a. There is no default on repayment of intetest in this accounts.		
NOTE 12- DEFERRED TAX LIABILITY		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	<u>Deferred Tax Liability (See note 2.12 also)</u>		
	Opening Balance	387.95	383.95
	Add:-Provison for the year	(24.85)	4.00
		363.10	387.95
NOTE 13-Trade payables		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Creditors for capital goods		
	Sundry creditors	1,272.37	1,196.85
		1,272.37	1,196.85
*Refer Note no 13.1 of Notes to Financial Statements.			



NOTE 13.1: - Trade Payable ageing (As on 31st March 2023)

Outstanding for following periods from due date of payment

Particulars	(AMT. IN LAC)					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1237.05	9.32	26			1272.37
(iii) Disputed Dues- Msme	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
Unbilled Dues	-	-	-	-	-	-

Trade Payable ageing (As on 31st March 2022)

Particulars	(AMT IN LAC)					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1124.77	72.07	-			1196.84
(iii) Disputed Dues- Msme	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
Unbilled Dues	-	-	-	-	-	-



BHANDARI HOSIERY EXPORTS LIMITED
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NOTE 14- OTHER CURRENT LAIBILITIES		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Dividend payable	4.19	4.44
	Statutory dues	39.96	33.72
	Other payables	135.41	167.69
	Term Loan instalments payable in one year	1,015.55	1,069.98
	Advances from customers	541.18	352.39
		1,736.30	1,628.21
NOTE 15- PROVISIONS		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Provision for Gratuity		39.87
	-Long Terma Liability	57.42	
	-Short Term Liabilty	7.62	
	Provision for Income-Tax	160.22	54.00
		225.26	93.87
NOTE 16- REVENUE FROM OPERATIONS		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Sales -Export	3,494.54	1,703.83
	Sales-Domestic	24,828.06	26,624.38
		28,322.60	28,328.21
NOTE 16.1- Disaggregated Revenue Information			
<p>The table below presents disaggregated revenues from contracts with customers by sale of products/services for the year ended 31-Mar-2023 and 31-Mar-2022 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.</p>			
Particulars	Current year ended 31-Mar-2023	For the year ended 31-Mar-2022	
Details of sale products/services			
-Garments	5,349.23	5,597.93	
-Yarn	118.47	139.22	
-Knitted Cloth	22,854.89	22,591.06	
TOTAL	28,322.60	28,328.21	
Note 17-Other Incomes		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Insurance Claims Received	6.85	0.78
	Freight Recd	-	8.71
	Interest others	1.68	5.93
		8.53	15.41

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BHANDARI HOSIERY EXPORTS LIMITED
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NOTE 18- COST OF RAW MATERIAL CONSUMED		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Material Consumed			
	Opening stock of Raw materials	2,005.21	2,520.60
	Purchase of raw materials & semi finished gods	21,753.88	21,246.90
		23,759.09	23,767.51
	Less: Closing stock of raw materials & semi finished goods	2,126.35	2,005.21
	Material consumed	21,632.75	21,762.30
		21,632.75	21,762.30
NOTE 19- CHANGES IN INVENTORY OF FINISHED GOODS, W.I.P. & STOCK IN TRADE		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Increase(-)/Decrease (+) in stock			
	Closing stock of WIP	2,457.55	2,152.15
	Closing stock of finished goods	2,935.86	2,850.38
		5,393.41	5,002.53
	Less:		
	Opening stock of Work-in-Process	2,152.15	2,439.47
	Opening stock of finished goods	2,850.38	2,407.96
		5,002.53	4,847.43
	Increase(-)/Decrease (+) in stock	(390.88)	(155.10)
NOTE 20- EMPLOYEE BENEFIT EXPENSES		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Personnel Expenses			
	Director's Remuneration	48.00	48.00
	Wages	724.12	642.98
	Salary	341.52	321.95
	Contribution. to Provident and other funds	34.56	41.38
	Worker's Welfare, Bonus, gratuity. etc.	76.24	53.09
	TOTAL	1,224.43	1,107.40
Retirement Benefits:			
a	Short term benefits		
	Short term employee benefit are charged off at the undiscounted amount in the year in which		
	Post retirement benefit comprise of provident fund and gratuity which are accounted for as		
i	Provident fund		
	This is a defined contribution plan and contribution made to the fund are charged to revenue		
ii	Gratuity Fund		
	This is a defined contribution plan . The Liability of the company is determined based on the		
iii	Leave with wages		
	Provisions for leave with wages is made on the basis of leave accrued to the employees		
NOTE -21 FINANCE COSTS		Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
	Bank Charges & Commission	71.33	50.11
	Loss of Forward contract booking		
	Bank interest Term Loan	274.00	347.16
	Bank Interest CC	688.44	630.18
	TOTAL	1,033.77	1,027.45


BHANDARI HOSIERY EXPORTS LIMITED
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NOTE -22 OTHER EXPENSES	Current Year Ending 31.03.2023	Previou Year Ending 31.03.2022
Manufacturing Expenses		
Opening Stocks consumables	402.73	289.56
Consumables	270.80	277.43
Dyeing & Finishing	1,203.17	1,323.98
Testing & Sampling	7.60	3.23
Knitting Charges / Fabrication Charges	209.89	237.93
Power & Fuel	1,081.41	962.27
Less Consumables closing stocks	445.83	402.73
	2,729.78	2,691.67
Office & Administrative Expenses		
Audit & Tax Audit Fees	0.90	0.90
Board & Audit Comtt. Metting Fees	1.90	0.70
Charity and Donation	0.08	0.07
CSR Expenses	11.00	10.50
Fee & Taxes	14.90	36.48
Insurance Charges	32.77	33.41
Legal & Professional	39.90	30.53
Loss on sale of assets	9.11	12.99
Misc. Expenses	10.37	5.47
Printing & Stationery	14.66	16.06
Provison for Bad Debts	10.49	-
Telephone & Telex	2.77	3.46
Vehicle Running Expenses	4.84	0.87
Travelling & Conveyance		
-Directors (Foreign)	37.60	17.47
-Directors (Domestic)	24.61	3.03
-Others	16.88	38.03
Repair & Maintenance		
- Building	2.73	22.07
- Electric	3.22	15.22
- General	6.54	20.51
- Machinery	56.92	62.88
- Vehicle	1.64	4.79
Selling & Distribution Expenses		
Brokerage & Commission	77.93	60.67
Courier expenses	16.78	16.74
ECGC Premium	0.42	0.23
Export Expenses	0.11	0.30
Packing Material	112.34	80.43
Rebate & Discount (Quality Claim)	45.68	41.39
Rebate & Discount (Sales)	53.93	20.35
Sale Promotion & Exhibition	8.19	7.95
Shipping & Freight	172.37	114.52
	3,521.37	3,369.70

As per our separate report of even date

For Raj Gupta & Associates

Chartered Accountants


Sandeep Gupta

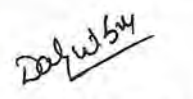
Partner

Place : Ludhiana

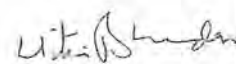
Date : 26/05/23


(Misha Malhotra)

CFO


(Daljeet Singh)

Company Secretary


(Nitin Bhandari)

Mg. Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023.

NOTE 1 - CORPORATE INFORMATION

Bhandari Hosiery Exports Limited (BHEL) is a public limited Company incorporated under the provisions of Companies Act, 2013. The CIN of Company is L17115PB1993PLC013930 and Registered Office of company is situated in Punjab at Bhandari House, Village Meharban, Rahon Road, Ludhiana. The Company is listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company does not have any subsidiary Company. The Company is into Textiles and is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 20 years experience and state of art manufacturing facilities, BHEL manufactures garments of leading international and overseas brands and some overseas retail chains in the international market BHEL has presence in around many countries including quality conscious markets like USA, European Union etc.

The company is engaged in manufacture of knitted fabrics Kora and dyed and is also in the manufacture and export of knitted hosiery garments such as T-Shirts, Pullovers, Sweat Shirts, Bermudas, Polo Shirts, Track Suits, Pajamas, Lowers, Ladies Knitted Tops with embroidery and prints etc. and manufacture, processing and trading of dyed and non-dyed fabrics at domestic and international levels. The Company confirms to International standards in Human Recourses Practices and adopts Eco-friendly standards in production.

NOTE 2 - ACCOUNTING POLICIES

ACCOUNTING POLICIES

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.

Basis of Preparation of Financial Statements:

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards in India (Ind AS). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and there 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.

Use of Estimates

The preparations 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.

Revenue Recognition:

As per IND AS 115, the company recognises revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

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.

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.

Retirement Benefits:

a.	Short term benefits	Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
b.	Long term post retirement	Post retirement benefits comprise of Provident fund and gratuity which are accounted for as follows:
i.	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.
ii.	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.
iii.	Leave with wages	Provisions for leave with wages are made on the basis of leave accrued to the employee during the year.

Property, Plant & Equipments:

Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

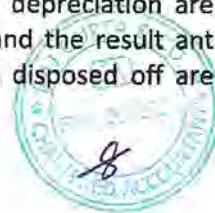
Its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/-or below on which depreciation is charged @ 100% per annum on proportionate basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.



Depreciation:

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets as specified in Schedule II of Companies Act, 2013.

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.

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.

Foreign Currency Conversion/Translation:

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.

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

2.2 Contingent Liabilities not provided for (Rs. In Crores) :

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(a)	Letter of Credit outstanding	0	0
(b)	Bank Guarantee outstanding	0.01	0.17
(c)	Bill discounting with bank against irrevocable Foreign Letter of Credit	0.0	0.62
(d)	For Taxation matters- Income Tax other than TDS	0.05	0.00
(e)	For Taxation matters- TDS	0.04	0.00

2.2.1 Details of dues Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2023(Rs. in crores):

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount*(Rs. crores)	Amount Unpaid (Rs. In crores).
Income-tax Laws	Income-tax (other than TDS)	Neither suit is filed nor amount is paid by the company. But company is contemplating filing rectification application and believed there are fair chances of success.	A.Y. 2019-20, A.Y. 2018-19, A.Y. 2009-10	0.05	0.05
Income-tax Laws	Income-tax (TDS & TCS)		F.Y. 2021-22, F.Y. 2020-21, F.Y. 2019-20	0.04	0.04



*** amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order.**

2.3 (a) Sales taxes/VAT/GST 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

Following are the pending legal cases:-

LIST OF CASES						
Sr. No.	Name of Case	Section/Case Number	Court or Tribunal	Status	AMOUNT INVOLVED	Date of filing of case
1.	CHD Chemicals Limited Vs Bhandari Hosiery Exports Limited	Arbitration 848/2018	Chandigarh District Court	Notice and Record	2000000/-	01-10-2018
2.	CHD Chemicals Limited Vs Bhandari Hosiery Exports Ltd.	Arbitration 46/2018	Chandigarh High Court	Pending	2000000/-	01-10-2018
3.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case1)	NIA sec 138 3575/2019	Ludhiana District Court	For Evidence	2,00,000/-	15-10-2019
4.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 2)	NIA sec 138 4475/2019	Ludhiana District Court	For Appearance	2,00,000/-	15-10-2019
5.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 3)	NIA sec 138 5729/2019	Ludhiana District Court	For Appearance	2,00,000/-	15-10-2019
6.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case4)	NIA sec 138 6611/2019	Ludhiana District Court	For Evidence	2,00,000/-	15-10-2019
7.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 5)	NIA sec 138 24268/2019	Ludhiana District Court	For Argument	2,00,000/-	15-10-2019
8.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 6)	NIA sec 138 28638/2019	Ludhiana District Court	For Evidence	2,00,000/-	15-10-2019
9.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case7)	NIA sec 138 30885/2019	Ludhiana District Court	For Appearance	2,00,000/-	15-10-2019



10.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case8)	NIA Sec 138 2603/2020	Ludhiana District Court	For Appearance	2,00,000/-	15-10-2019
11.	Marvel Dyers Vs Bhandari Hosiery Exports Limited	Civil Revision Suit 5430/2019	High Court Punjab & Haryana	Pending	757000/-	15-10-2019
12.	Marvel Dyers Vs Bhandari Hosiery Exports Limited	Civil Revision Suit (Rebutal Stage) 1210/2015	Ludhiana District Court	Pending	757000/-	17-03-2015
13.	Bhandari Hosiery Exports Limited Vs. Samar Gulati	COMA/1257/2020 NIA U/s 138	Ludhiana District Court	For Appearance	2,00,000/-	23-01-2020
14.	Bhandari Hosiery Exports Limited Vs. Samar Gulati	COMA/1258/2020 NIA U/s 138	Ludhiana District Court	For Appearance	2,00,000/-	23-01-2020
15.	Bhandari Hosiery Exports Ltd. Vs. Pankaj Verma	COMI/196/2019	Ludhiana District Court	For Evidence	0.00	Dismissed (in favour of company)
16.	Bhandari Hosiery Exports Ltd Vs Kanti Gupta	RSA-741/2019	CHD High Court	Pending	1528000/-	09-08-2019

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:-

A) Financial assets

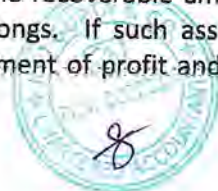
The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss

B) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or

changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of

impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is



measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

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 atleast 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 textiles as reportable segment. The company operates in domestic and export segment geographically. The sales for both are separately given. But due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately. Domestic Sales consists sales made in different parts of India. Export Sales consists exports made to Germany, USA, U.K., Dubai and other countries of European Union (EU). The Export sales and Domestic sales are as under:

Segment Revenue

Particulars	2022-23(Rs. In lacs)	2021-22 (Rs. In lacs)
Export sales	3494.54	1703.83
Domestic sales	24828.06	26624.38
Total	28322.60	28328.21

Segment Assets

Particulars	2022-23(Rs. In lacs)	2021-22 (Rs. In lacs)
- Within India	20,699	20,860
- Outside India	1,027	923
Total	21,726	21,783

2.10 Investments

Particulars	2021-22	2020-21
Investment in shares , etc.	Nil	Nil

2.11 Auditor's Remuneration

Particulars	Amount 2022-23	Amt in Rs. 2021-22
Statutory Audit fee	60000	60,000
Tax audit Fee	20000	20,000
Limited Review Report	10000	10,000
Total	90,000	90,000



2.12 Accounting for Taxes

A) Provision for Income Tax:- The provision for income tax has been made at applicable tax rate

(Amount in Lac)	
PARTICULARS	AMT
Profit as per Profit and Loss Account	789.02
Add: Expenses not considered for Tax Purpose	78.51
Gross Taxable Income	867.53
Effective Tax Rate	27.82%
Gross tax liability	241.35
Less Mat credit as per ITR of AY 2022-23	81.13
Net Tax Provision as per profit and Loss account	160.22

B) Deferred Tax Liability

As per requirements of the Indian Accounting standard, the company has created deferred tax Assets for the year which is net off with the deferred tax liability: -

Movement in deferred tax balances

(Amt. in Lac)	
Opening Balance of DTL as on 01.04.2022	387.95
DTL reversal on account of:-	
Timing difference on account of depreciation for the year as per books of account and Income tax- Charged to Profit and Loss Account	15.25
Timing difference on Provision for gratuity for the year - Charged to Profit and Loss Account	3.68
Timing difference on Provision for Doubtful Debt for the year - Charged to Profit and Loss Account	2.92
Timing difference on Provision for gratuity for the year - Charged to OCI	3.01
Closing Balance of DTL as on 31.03.2023	363.10



13 Micro, Small and Medium Industries:-

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under (the credit period with MSME supplier are mutually agreed upon):

(Amount in lacs)

Particulars	2022-23
Principal amount remaining unpaid to any supplier as at the end of accounting year	-
Interest due there on remaining unpaid to any supplier as at the end of the accounting year	-
The amount of interest paid along with amount of the payment made to the supplier beyond appointed day	-
The amount of interest due and payable for the year	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-

14 Related Party Disclosure

The details of disclosures as required by Indian Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as under:-

Related parties with whom transactions have taken place during the year 2022-23.

Key Managerial Personnel:

Mr. Nitin Bhandari, Chairman cum Managing Director

Mr. Daljeet Singh Company Secretary

Nature of Transactions	Key Management Personnel having relation with Related Party	Enterprises over which KMP is able to exercise significant influence	Total (Amt. in Lac) 2022-23	Total (Amt. in Lac) 2021-22
(1)	(2)	(3)	(4)	(5)
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Tikani Exports Limited	729.21	00.00
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	0.00	244.53
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	Tikani Exports Limited	373.50	109.50
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	673.20	1407.46
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	Anthrilo Design House	124.12	130.10
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	TBD Trading Company	0.00	0.00
Reimbursement of Expenses	Nitin Bhandari and his Relatives	Tikani Exports Limited	0.15	28.31

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

Closing balance of related parties

Sr no.	Parties	Closing Balance (Rs, in Lacs)
1	Tikani Exports Limited	Nil
2	Miracle Clothing Company	Nil
3	TBD Trading Company	Nil
4	Anthrilo Design House	Nil
5	Amaira Textiles Mills Plc	Nil
6	Nitin Bhandari	989.45 (Credit)
7	Kusum Bhandari	15.20 (Credit)

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

2.15 Earning per share

The calculation of Earnings Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Ind AS-33 on "Earnings Per Share". The following is the reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	No. shares 2022-23	No. shares 2021-22
Issued equity shares	146526950	146526950
Number of Shares at the end of the year	146526950	146526950
Weighted average shares outstanding	146526950	146526950



Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	Amount in Lacs-2022-23	Amt in lacs (2021-22)
Profit and loss after tax	641.68	627.01
Basic Earnings per share (B/A)	0.44	0.43
Basic Earnings per share (B/A)	0.44	0.43

2.16 Actuarial Valuation:

2.16.1 Accounting Policy & Valuation Method

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

As per Ind AS 19, the service cost and the net interest cost would be charged to the Profit & Loss account. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income (OCI).

2.16.2 Actuarial Valuation Method (Refer Para 67 of Ind AS 19):-

M/S. Kapadia Global Actuaries have used Projected Unit Credit (PUC) method to value the Defined benefit obligation. Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan.

The "Projected Unit Credit Method" is based on the Plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

2.16.3 Valuation Results:-

Particulars	31-Mar-2023 (12 months)
Net opening provision in books of accounts	39,86,870
Employee Benefit Expense as per 3.2	21,91,283
Amounts recognized in Other Comprehensive (Income) / Expense	11,96,769
Benefits paid by the Company	(8,70,012)
Closing provision in books of accounts	65,04,910



2.16.4 Explanation of amounts in the Financial Statements:-

Funded status of the plan	
Particulars	31-Mar-2023 (12 months)
	Rs.
Present value of unfunded obligations	65,04,910
Present value of funded obligations	-
Fair value of plan assets	-
Net Defined Benefit Liability/(Assets)	65,04,910

Profit and loss account for the period	
Particulars	31-Mar-2023 (12 months)
	Rs.
Service cost:	
Current service cost*	18,94,261
Past service cost	-
loss/(gain) on curtailments and settlement	-
Net interest cost	2,97,022
Total included in 'Employee Benefit Expenses/(Income)	21,91,283

Other Comprehensive Income for the period	
Particulars	31-Mar-2023 (12 months)
	Rs.
Components of actuarial gain/losses on obligations:	
Due to Change in financial assumptions	-
Due to change in demographic assumption	-
Due to experience adjustments	11,96,769
Return on plan assets excluding amounts included in interest income	-
Amounts recognized in Other Comprehensive (Income) / Expense	11,96,769

Reconciliation of defined benefit obligation	
Particulars	31-Mar-2023 (12 months)
	Rs.
Opening Defined Benefit Obligation	39,86,870
Transfer in/(out) obligation	-
Current service cost	18,94,261



Interest cost	2,97,022
Components of actuarial gain/losses on obligations:	
Due to Change in financial assumptions	-
Due to change in demographic assumption	-
Due to experience adjustments	11,96,769
Past service cost	-
Loss (gain) on curtailments	-
Liabilities extinguished on settlements	-
Liabilities assumed in an amalgamation in the nature of purchase	
Exchange differences on foreign plans	
Benefit paid from fund	-
Benefits paid by company	(8,70,012)
Closing Defined Benefit Obligation	65,04,910

Reconciliation of plan assets	
Particulars	31-Mar-2023 (12 months)
	Rs.
Opening value of plan assets	-
Transfer in/(out) plan assets	-
Expenses deducted from assets	-
Interest Income	-
Return on plan assets excluding amounts included in interest income	-
Assets distributed on settlements	-
Contributions by Employer	-
Contributions by Employee	-
Exchange differences on foreign plans	-
Benefits paid	-
Closing value of plan assets	-

Reconciliation of asset ceiling	
Particulars	31-Mar-2023 (12 months)
	Rs.
Opening value of asset ceiling	-
Interest on opening value of asset ceiling	-
Loss/(gain) on assets due to surplus/deficit	-
Closing value of plan asset ceiling	-



Composition of the plan assets	
Particulars	31-Mar-2023 (12 months)
	%
Government of India Securities	0%
State Government Securities	0%
High quality corporate bonds	0%
Equity shares of listed companies	0%
Property	0%
Special Deposit Scheme	0%
Policy of insurance	0%
Bank Balance	0%
Other Investments	0%
Total	0%

Reconciliation of Net Defined Benefit Liability/(Asset)	
Particulars	31-Mar-2023 (12 months)
	Rs.
Net opening provision in books of accounts	39,86,870
Transfer in/(out) obligation	-
Transfer (in)/out plan assets	-
Employee Benefit Expense as per 3.2	21,91,283
Amounts recognized in Other Comprehensive (Income) / Expense	11,96,769
	73,74,922
Benefits paid by the Company	(8,70,012)
Contributions to plan assets	-
Closing provision in books of accounts	65,04,910

Principal actuarial assumptions	
Particulars	31-Mar-2023 (12 months)
Discount Rate	7.45% p.a.
Salary Growth Rate	5.00% p.a.
Withdrawal Rates	Age 25 & Below : 10 % p.a.
	25 to 35 : 8 % p.a.
	35 to 45 : 6 % p.a.
	45 to 55 : 4 % p.a.
	55 & above : 2 % p.a.



NOTE: For actuarial valuation we have relied on the report issued by M/S. Kapadia Global Actuaries which is provided to us by the Management.

2.17 Leases

There are no such rental/lease agreements entered into by the Company which is required for disclosure under Ind AS-116.

2.18 Additional information

a Value of Imports Calculated on C.I.F. Basis		31.03.2023 (RS.)	31.03.2022 (RS.)			
Raw Material		Nil	Nil			
(ii)	Stores, Spares, Needles, Labels,	5,66,343	23,01,344			
(iii)	Capital Goods	80,216,11	NIL			
b Expenditure in Foreign Currency		61,87,129	37,98,000			
Travelling and Conveyance						
(b)	Quality claim, rebate & discount etc.	38,39,656	41,38,816			
c Foreign Exchange Earnings						
FOB Value of Exports		32,84,40,350	16,48,99,760			
d The Value of Consumption of Raw Materials and Stores						
Particulars	Year ended 31 st March	Raw Material	%	Stores		%
a) Imported	2023	NIL	NIL	5,66,343		2.29
b) Indigenous	2023	2,16,33,6 2,246	100	2,41,51,018		97.71
c) Imported	2022	NIL	NIL	23,01,344		10.08
d) Indigenous	2022	2,17,62,2 9,866	100	2,05,70,787		89.92

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

2.20: -Details of Corporate Social Responsibility (CSR): -

The Company is covered under section 135 of The Companies act, 2013. Provisions of CSR are applicable on the company, following are the details of amount spend on CSR activities:

Sr. No.	Particulars	Amount (Rs. In Lac)
a.	Amount required to be spent by the company during the year	10.30
b.	Amount of expenditure incurred	11.00
c.	Shortfall at the end of the year	Nil
d.	Total of previous years shortfall	N.A.
e.	Reason for shortfall	N.A.
f.	Nature of CSR activities	The amount is contributed by company to OM SARVODAYAM SANSTHANAM TRUST which is engaged in



		promotion of education,
g.	Details of related party transactions e.g, contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	N.A.

2.21: - Reconciliation of Cashflow from Financing Activities

(Changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes)

(AMT IN LAC)

Particulars	Year ended 31-03-2023		Year ended 31-03-2022	
	Current Borrowings	Non current Borrowings (incl. current maturities)	Current Borrowings	Non current Borrowings (incl. current maturities)
Balance of Financial liabilities coming under the financing activities of Cash Flow Statement as at the beginning	6,756	3,565	6,954.29	3,874.64
Changes during the year				
a) Changes from financing cash flow	21	-926	-198.26	-310.01
b) the effect of changes in foreign exchanges rates- (Gain)/Loss	-	-	-	-
c) Changes in fair value	-	-	-	-
d) Other Changes	-	-	-	-
Balance of Financial liabilities coming under the financing activities of Cash Flow Statement as at the end	6,777	2,639	6,756.03	3,564.64



2.22 Statement of Changes in Equity for the Year ended 31st March 2023:

Particulars	2022-23 (`in Lacs)	2021-22 (`in Lacs)				
A. Equity Share Capital						
Balance at the beginning of the reporting year	1,465.27	1,465.27				
Changes in Equity Share Capital during the reporting year	--	--				
Balance at the closing of the reporting year	1,465.27	1,465.27				
B. Other Equity						
Reserve & Surplus						
Particulars	Securit y Premiu m	Corporate Social Responsibility Reserve	Genera l Reserv e	Retaine d Earning s	Equity Component of compound Financial Instruments (Preference Share)	Total
Balance as at 1st April, 2021 (a)	1,559.75	--	288.05	4,230.00	--	6,077.79
Profit for the year	--	--	--	627.01	--	627.01
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--
Other Comprehensive Income/(Loss)	--	--	--	--	--	--
Total Comprehensive Income for the year (b)	--	--	--	627.01	--	--
Dividend Paid	--	--	--	(14.65)	--	(14.65)
Equity component of preference share	--	--	--	--	--	--
Transfer from Retained Earning	--	--	--	--	--	--
Transfer to General Reserve	--	--	--	--	--	--
Changes in accounting policy or prior period errors	--	--	--	--	--	--
Total (c)	1,559.75	--	288.05	4,842.36	--	6,690.16
Balance as at 31 st March, 2022 (d) = (a+b+c)	1,559.75	--	288.05	4,842.36	--	6,690.16
Profit for the year	--	--	--	650.63	--	650.63
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	(8.95)	--	(8.95)
Other Comprehensive Income/(Loss)	--	--	--	--	--	--
Total Comprehensive Income for the year (e)	--	--	--	641.68	--	641.68
Dividend Paid	--	--	--	(14.65)	--	(14.65)
Equity component of preference share	--	--	--	--	--	--
Transfer from Retained Earning	--	--	--	--	--	--
Transfer to General Reserve	--	--	--	--	--	--
Changes in accounting policy or prior period errors	--	--	--	(70.16)	--	(70.16)
Total (f)	1559.75	--	288.05	5399.22	--	7247.02
Balance as at 31 st March, 2023 (g) = (d+e+f)	1559.75	--	288.05	5399.22	--	7247.02



NOTE 23: - Additional regulatory information**(a) Ratio:-**

Ratio	Numerator	Denominator	Year ending 2023	Year ending 2022	Change
Current Ratio	Current Assets	Current Liabilities	1.64	1.68	-2.26%
Debt / Equity ratio	Total Debt	Total Equity	1.08	1.27	14.59%
Debt Service Coverage Ratio	(Profit before tax and exceptional items + Interest expense + Depreciation and amortisation expense)	Long term debt (excluding lease liabilities) repaid during the year* + Interest expense	1.21	1.47	-17.81%
Return on Equity	Net Profits after taxes	Average Shareholder's Equity	0.077	0.080	-3.43%
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.814	2.889	-2.59%
Trade Receivables Turnover Ratio	Revenue	Average Accounts Receivable	4.12	4.71	-12.65%
Trade Payables Turnover Ratio	Net purchases of stock in trade	Average Trade Payables	17.62	20.68	14.80%
Net Capital Turnover Ratio	Revenue from operations	Working capital	4.42	4.32	2.34%
Net profit ratio	Net Profit before tax	Net sales	2.30%	2.21%	3.79%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	16.06%	14.61%	9.90%
Return on Investment	PAT	Total Assets	2.99%	2.88%	4.04%

- (b) The title deeds of immovable properties included in Property, Plant, and Equipment are held in the name of the Company.
- (c) The company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (d) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- (e) The company has not enter into any transactions during the year with companies stuck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (f) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.



- (g) The restrictions related to the number of layers as prescribed under Companies (Restriction on Number of Layers) Rules, 2017 do not apply to our company, not being having any subsidiary.
- (h) The company has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities(intermediaries), with the understanding that the intermediary shall; i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or ii. Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
- (i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall; i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has borrowings from banks and financial institutions on the basis of the security of current assets and movable assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022.
- (k) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- (l) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (m) The company has not revalued any of its Property, Plant, and Equipment, or Intangible assets during the year.
- (n) The company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs, and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- (o) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



NOTE 24: - Assets pledged as Security

The Carrying amount of assets pledged as security for current and non-current borrowings are: -

(AMT IN LAC)

Particulars	As at 31-03-2023	As at 31.03.2022
Current Assets Pledged as Security		
Inventory	7966	7410
Total (A)	7966	7410
Non Current Assets Pledged as Security		
Machinery	7488	7374.14
Vehicles	327	316.13
Total (B)	7816	7690
Total Assets Pledged as Security (A+B)	15,781	15,100



NOTE 25: - Disclosures of Financial Instruments

A. Accounting classification and fair value measurement

(i) The carrying value and fair value of financial instruments by categories at the end of each reporting period is as follows:

As at 31-03-2023

(AMT-IN-LAC)

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity Instruments designated upon initial recognition	Mandatory		
Assets:							
Investments (Non current)							
Trade receivables	6,856					6,856	6,856
Cash and cash equivalents	266.72					266.72	266.72
Other Bank balances	-					-	-
Other financial assets (Current)	52					52	52
Total	7,195					7,195	7,195
Liabilities :							
Borrowings (Non current)	2,639					2,639	2,639
Borrowings (Current)	6,777					6,777	6,777
Trade Payables	1,272					1,272	1,272
Other financial liabilities (current)	-					-	-
Total	10,689					10,689	10,689



(AMT IN LAC)

As at 31-03-2022

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Investments (Non current)	-						
Trade receivables	6,901					6,901	6,901
Cash and cash equivalents	249.71					249.71	249.71
Other Bank balances	-					-	-
Other financial assets (Current)	50					50	50
Total	7,201	-	-	-	-	7,201	7,201
Liabilities :							
Borrowings (Non current)	3,565					3,565	3,565
Borrowings (Current)	6,756					6,756	6,756
Trade Payables	1,197					1,197	1,197
Other financial liabilities (current)	-					-	-
Total	11,518	-	-	-	-	11,518	11,518

(ii) Measurement of Fair Value of Financial assets and liabilities

(a) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(b) The following table presents fair value hierarchy of assets and liabilities measured at fair value:



As at 31-03-2023

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
		Nil		

As at 31-03-2022

Particulars	Fair Value	Fair-Value measurement using		
		Level 1	Level 2	Level 3
		Nil		

B. Financial Risk Management

The principal financial assets of the Company include cash, bank balances and trade and other receivables that derive directly from its operations. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk and investment risk.

a) Foreign currency risk

Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency. The company has not carried out any transactions in a currency other than company's functional currency and therefore the company is not exposed to any foreign currency risk.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

At the reporting date the the Company's interest bearing financial instrument with floating interest rates are as below:

Particulars	(AMT IN LACs)			
	As 31-03-2023	at	As 31-03-2022	at
Variable Rate Instruments				
Borrowings (Non-current) (inclusive of current maturities)	8,411.74		9,411.67	
Total variable rate Borrowings	8,411.74		9,411.67	

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As 31-03-2023		As 31-03-2022	
	at		at	
Increase/ (decrease) in 100 basis point	84.12		94.12	

c) Security Price risk:

(ii) Liquidity Risk



Particulars	As at 31-03-2023	As at 31-03-2022
Borrowings from Banks and Unsecured Loan		
0-1 years	1015.55	1069.98
1-3 years	746.38	791.27
More than 3 year	1892.74	2773.37
Trade Payables		
0-1 years	1272.37	1196.85
Other Financial liabilities		
0-1 years (incl. interest on borrowings)	0.00	0.00

(iii) Credit Risk

NOTE 26: - Financial assets that expose the entity to credit risk

I. As at 31-03-2023

Particulars	Gross Amount	Expected credit loss
Cash and cash equivalents	286.72	-
Other bank balances	-	-
Other financial assets	52.28	-

II. As at 31-03-2022

Particulars	Gross Amount	Expected credit loss
Cash and cash equivalents	249.71	-
Other bank balances	-	-
Other financial assets	50.23	-

Write off policy

NOTE 27: - Capital Management

Particulars	As at 31-03-2023	As at 31-03-2022
Borrowings (incl. current maturities)	8411.74	9411.67
Less: Cash and cash equivalents	286.72	249.71
Net debt (A)	8125.02	9161.96
Total Equity (B)	8712.29	8155.43
Debt to Equity ratio (A/B)	0.93	1.12

NOTE 28:- The Company has declared Rs. 0.01/- dividend per share having face value of Rs.1/- during the year ended 31st March, 2023

For Raj Gupta & Company
Chartered Accountants
FRN: 009607N

(Sandeep Gupta)
Partner
Membership No.
Place: Ludhiana
Date: 26.05.2023

(Misha Malhotra)
Chief Financial Officer

For and on behalf of the Board of Directors of
BHANDARI HOSIERY EXPORTSLIMITED

(Daljeet Singh)
Company Secretary

(Nitin Bhandari)
Chairman & Mg. Director
DIN :01385065



INDEPENDENT AUDITOR'S REPORT

The Members of BHANDARI HOSIERY EXPORTS LIMITED

Report on the Financial Statement Opinion

We have audited the accompanying Ind AS financial statements of **BHANDARI HOSIERY EXPORTS LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No.2.3(C) to the Ind AS financial statements, which describe the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.



Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the Ind AS financial statements and our Auditor's Report thereon.

Our opinion on Ind AS financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion, proper books of accounts 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 including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) on the basis of written representation received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report.
- (g) In our opinion the managerial remuneration for the year ended 31st March, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

PLACE: LUDHIANA
DATE: 30.05.2022

For KRISHAN GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS



Manoj Jain
(MANOJ JAIN)
PARTNER
M.NO.091621

UDIN : 22091621AKVOWE3800

The Annexure 1 of the Independent Auditor's Report

With reference to The Annexure 1 of referred to Independent Auditor's Report to the member of the Company on the financial statements for the year ending 31.03.2022, we report the following :

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.
 - (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) According to information and explanations given to us and on the basis of our examination of records of the company, the company has a regular programme of physical verification of its Property, Plant and Equipments in phased manner which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations given by the management, the conveyance deeds / registered sale deeds of immovable properties are held in the name of the Company.
 - (d) According to the information and explanations given to us that on the basis of examination of records of the company, the company has not revalued its property, plant and equipments or intangible assets or both during the year.
 - (e) According to the information and explanations given to us that on the basis of examination of records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
 - b) According to the information and explanations given to us that on the basis of examination of records of the company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets , in our opinion, the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.
- iii. According to the information and explanations given to us that on the basis of examination of records of the company, the Company has not provided any security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of clause (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provision under Section 185 and 186 of the Companies Act, 2013. Therefore, the provision of clause 3(iv) is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause 3(v) of the order are not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the



Companies Act 2013, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, customs duty, cess, Goods and Service Tax and other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed amounts outstanding of provident fund, employees state insurance, income-tax, cess, customs duty, Goods and Service Tax.
- viii. According to the information and explanations provided to us, there were no transactions which were not recorded in the books of account which have been surrendered or disclosed as income, during the year, in the tax assessments under the Income Tax Act, 1961 and no previously unrecorded income has been recorded in the books of account during the year.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the records of the company and information and explanations given to us, the Company is not a declared willful defaulter by any bank of financial institution or other lender.
- c) The company has taken term loan during the year and applied for the purpose for which loans were obtained.
- d) According to the records of the company and information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
- e) According to the records of the company and information and explanations given to us, the company has not taken any funds from any entity or person on account to or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the records of the company and information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies.
- x. a) The company has not raised moneys by way of initial public offer or further public offer (Including Debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) and hence, reporting under clause 3(x)(b) of the Order is not Applicable.



- xi. a) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with the Central Government.
- c) According to the information and explanations given to us, no whistle blower companies have been received by the company during the year.
- xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provision of clause (xii) (a to c) of the Order are not applicable to the Company.
- xiii. According to the information and explanation given by the management, the Company's transactions with its related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and, the details have been disclosed in the Notes to Financial Statements, as required by the applicable accounting standards.
- xiv. a) According to the information and explanation given to us, in our opinion the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the reports of Internal Auditors for the period under audit provided to us by the company.
- xv. In our opinion and according to the information and explanation given to us, the company, during the year, has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) During the year, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of Registration (COR) from Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The company is not a Core Investment Company (CIC) and/or an exempted or unregistered CIC as defined in the regulations made by the Reserve Bank of India.
- d) According to the records of the company and information and explanations given to us, the group has no CIC.
- xvii. The company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.



xviii. During the year there has been no resignation of the statutory auditors of the company and hence provisions of clause (xviii) of the Order is not applicable.

xix. On the basis of the Financial Ratios, Aging and expected dates of realization of Financial Assets and payment of Financial Liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Director and Management Plans based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to belief that any material uncertainty exists as on the date of the Audit Report indicating that company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the Audit Report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one-year from Balance Sheet date, will get discharged by the Company as and when the fall due.

xx. a) According to the records of the company and information and explanation given to us, in our opinion, there are no unspent amounts towards Corporate Social Responsibility (CSR) on projects other than ongoing projects requiring transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act.

b) According to the records of the company and information and explanation given to us, in our opinion, there are no amount remaining unspent under sub section (5) of section 135 of Companies Act pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

PLACE: LUDHIANA
DATE: 30.05.2022

For KRISHAN GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS



(MANOJ JAIN)
PARTNER
M.NO.091621

UDIN : 22091621AKVOWE3800

Annexure – 2 to the Auditor’s Report

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

We have audited the internal financial controls over financial reporting of BHANDARI HOSIERY EXPORTS LIMITED (“the Company”) as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Control over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory Paragraph

We also have audited, in accordance with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the financial statements of Company which comprise in the Balance Sheet as at 31st March 2022, and the related statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 31st March 2022 expressed an unqualified opinion thereon.

PLACE: LUDHIANA
DATE: 30.05.2022

For KRISHAN GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS



(MANOJ JAIN)
PARTNER
M.NO.091621

UDIN : 22091621AKVOWE3800

BHANDARI HOSIERY EXPORTS LIMITED

Bhandari House, Village Meharban, Rahon Road, Ludhiana-141017, CIN: L17115PB1993PLC013930
E-mail ID: bhandari@bhandariexport.com, web: bhandariexport.com, Phone: +91 88720-16409, +91 88720-16410
STATEMENT OF ASSETS AND LIABILITIES AS ON 31.03.2022

Particulars	Note	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Accounting Policy	1		
Notes To Accounts	2		
ASSETS			
Non Current Assets			
Fixed Assets			
a. Property, Plant & Equipments	3	55,51,03,204	59,76,71,575
b. Capital Work in Progress		-	2,26,43,097
c. Intangible Assets		1,24,987	1,24,987
d. Financial Assets			
i. Investments			-
ii. Loans			-
iii. Other Financial Assets			-
e. Other Non Current Assets			-
f. Deferred Tax Assets			-
Total Non Current Assets		55,52,28,191	62,04,39,659
Current Assets			
a. Inventories	4	74,10,46,388	76,57,59,140
b. Financial Assets			
i. Investments			51,18,44,703
ii. Trade Receivables	5	69,01,20,676	2,24,89,821
iii. Cash & Cash Equivalents	6	1,37,04,691	
iv. Bank Balances other than iii above			38,13,890
v. Loans & Advances	7	50,22,754	
vi Other Financial Assets			14,85,80,992
c. Other Assets	8	17,31,75,458	
Total Current Assets		1,62,30,69,967	1,45,24,88,546
TOTAL ASSETS		2,17,82,98,158	2,07,29,28,205
EQUITY & LIABILITIES			
EQUITY			
Equity Share Capital	9	14,65,26,950	14,65,26,950
Other Equity	10	66,90,15,600	60,77,79,826
Total Equity		81,55,42,550	75,43,06,776
I LIABILITIES			
Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	11A	35,64,63,651	38,74,64,292
ii. Other Financial liabilities			
b. Provisions		3,87,95,391	3,83,95,391
c. Deferred Tax Liability	12		
d. Other Non Current Liabilities			
Total Non Current Liabilities		39,52,59,042	42,58,59,683
II Current Liabilities			
a. Financial Liabilities			
i. Borrowings	11B	67,56,03,020	69,54,28,564
ii. Trade payables	13	11,96,84,893	8,57,80,635
iii. Other Financial Liabilities			
b. Other Current Liabilities	14	16,28,21,783	10,38,57,476
c. Provisions	15	93,86,870	76,95,070
d. Current tax liabilities/net			
		96,74,96,566	89,27,61,745
TOTAL		2,17,82,98,158	2,07,29,28,205

The accompanying Notes referred to above form an integral part of the Financial statements
As per our separate report of even date

For Krishan Goej & Associates

FRN : 009607N

Chartered Accountants

(Manoj Jain)

Partner : M NO :091621

Place : Ludhiana

Date : 30.05.2022

Misha Malhotra
Misha Malhotra
CFO

Daljeet Singh
Daljeet Singh
Company Secretary

Nitin Bhandari
Nitin Bhandari
Mg. Director

BHANDARI HOSIERY EXPORTS LIMITED

Bhandari House, Village Meharban, Rahon Road, Ludhiana-141017, CIN: L17115PB1993PLC013930

E-mail ID: bhandari@bhandariexport.com, web: bhandariexport.com, Phone: +91 88720-16409, +91 88720-16410

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31.03.2022

Particulars	NOTE	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
I Revenue			
Revenue from operation	16	2,83,28,21,297	2,25,79,23,823
II Other Income	17	15,41,485	27,25,646
III Total Revenue		2,83,43,62,782	2,26,06,49,468
IV Expenses			
Cost of Material Consumed	18	2,17,62,29,866	1,74,82,46,579
Changes in inventory of finished goods , work in process stock in trade	19	(1,55,09,495)	1,30,55,279
Employees benefit expense	20	11,07,40,126	9,17,15,641
Finance cost	21	10,27,44,503	10,73,81,135
Other Expenses	22	33,69,69,534	22,50,48,738
Depreciation expense	3	5,46,87,204	5,39,78,476
TOTAL		2,76,58,61,739	2,23,94,25,847
V Profit before exceptional and extraordinary item & tax (III-IV)		6,85,01,044	2,12,23,621
VI Exceptional items			
VII Profit before extraordinary item (V-VI)		6,85,01,044	2,12,23,621
VIII Extraordinary Items			
IX Profit before tax (VII-VIII)			
X TAX EXPENSES			
Current Income Tax/MAT		54,00,000	37,08,200
Deferred Tax		4,00,000	8,26,000
Wealth Tax			
Excess(short) Provisions income tax of earlier years			
XI Profit/(Loss) for the period from continuing operations (IX-X)		6,27,01,044	1,66,89,421
XII Profit/(Loss) for the period from discontinuing operations (IX-X)		NIL	NIL
XIII Surplus carried over to Balance Sheet		6,27,01,044	1,66,89,421
XIV Net Profit available for Equity Shareholders		6,27,01,044	1,66,89,421
Number of equity shares		14,65,26,950	14,65,26,950
XV Basic Earning per Share of Rs. 1/- each		0.43	0.11
Diluted Earning per Share of Rs. 1/- each		0.43	0.11

The accompanying Notes referred to above form an integral part of the Financial statements

As per our separate report of even date

For Krishan Goel & Associates

FRN : 009607N

Chartered Accountants

Manoj Jain
(Manoj Jain)

Partner : M NO :091621

Place : Ludhiana

Date : 30.05.2022



Misha Malhotra

Misha Malhotra
CFO

Daljeet Singh

Daljeet Singh
Company Secretary

Nitin Bhandari

Nitin Bhandari
Mg. Director

BHANDARI HOSIERY EXPORTS LIMITED

Bhandari House, Village Meharban, Rahon Road, Ludhiana-141017, CIN: L17115PB1993PLC013930
 E-mail ID: bhandari@bhandariexport.com, web: bhandariexport.com, Phone: +91 88720-16409, +91 88720-16410

CASH FLOW STATEMENT FOR FINANCIAL YEAR ENDED 31.03.2022

	Current Period ended 31.3.2022	Previous Year Ended 31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	6,85,01,044	2,12,23,621
Adjustments for		
Depreciation after written back	5,46,87,204	5,39,78,476
Less : Interest received	(15,41,485)	(27,25,646)
Interest & financial expenses	10,27,44,503	10,73,81,135
Adjustments against Reserve & surplus		-
Operating profit before working capital changes	22,43,91,267	17,98,57,586
Adjustment for :		
Decrease / Increase (-) in debtors & receivables	(20,40,79,303)	20,83,689
Decrease / Increase (-) in inventories	2,47,12,752	(4,35,22,918)
Increase / Decrease (-) in trade payables	9,45,60,364	(2,78,41,526)
Cash Generated from operations	13,95,85,080	11,05,76,831
Less Interest paid	10,27,44,503	10,73,81,135
Less Direct tax paid	54,00,000	37,08,200
Cash flow before extraordinary items	3,14,40,577	(5,12,504)
Extra ordinary items(Provision for Dividend)/WOFF	14,65,270	14,65,270
Net cash from trading activities	2,99,75,307	(19,77,774)
CASH FROM INVESTING ACTIVITIES		
issue of fresh capital		
Share premium on fresh capital	-	-
Purchase of fixed assets	(1,48,94,336)	(2,95,33,042)
Depreciation Written Back	(21,73,281)	(21,68,176)
Sale of fixed assets	2,75,91,879	1,04,69,172
Interest received	15,41,485	27,25,646
Realisation from investments	-	-
Net cash from investing activities	1,20,65,747	(1,85,06,400)
CASH FROM FINANCING ACTIVITIES		
Increase in bank borrowing	(5,08,26,185)	3,33,76,442
Repayment of short term borrowing	-	-
Repayment of unsecured loans if any	-	-
Net cash from financing activities	(5,08,26,185)	3,33,76,442
Net increase or decrease in cash & cash equivalent	(87,85,130)	1,28,92,268
Cash & Cash equivalents (Opening Balance)	2,24,89,822	95,97,554
Cash & Cash equivalents (Closing Balance)	1,37,04,691	2,24,89,822

The accompanying Notes referred to above form an integral part of the Financial statements

As per our separate report of even date

For Krishan Goel & Associates

FRN : 009607N

Chartered Accountants

(Manoj Jain)

Partner : M NO :091621

Place : Ludhiana

Date : 30.05.2022



Misha Malhotra
CFO

Nitin Bhandari
Mg. Director

Daljeet Singh
Company Secretary

NOTE 4- INVENTORIES		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
(Valued at Cost or net realisable value, whichever is lower as certified by the Management of the Company)			
Stores and Spares (at cost)		4,02,72,634	2,89,55,500
Raw Materials (at cost+expenses)		20,05,21,038	25,20,60,419
Finished Goods & wastage (at cost or Realisable value which ever is less)		28,50,37,516	24,07,95,750
Work-in-Progress (at estimated cost)		21,52,15,200	24,39,47,471
		74,10,46,388	76,57,59,140
Inventories: Method of Valuation			
i Stores and Spares and raw material are valued at Cost.			
ii Semi Finished Goods are Valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever, is less.			
iii Finished goods are valued at cost or net realizable value, whichever is less. Cost includes materials, direct labour and allocable overheads.			
NOTE 5- TRADE RECEIVABLES		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
a) Debts out standing for a period exceeding six month from the date they are due for payment			
(Unsecured, Considered Goods unless otherwise stated)			
Domestic		1,65,40,541	39,06,083
Foreign		1,13,05,092	15,33,645
		2,78,45,633	54,39,728
b) Others			
Domestic		56,76,63,424	47,96,02,363
Bad Debts (doubtful of recovery)		1,36,20,940	61,94,509
Foreign		8,09,90,680	2,06,08,103
		69,01,20,676	51,18,44,703
NOTE 6- CASH & BANK BALANCES		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Cash and cash equivalent			
Cash in hand		22,84,281	14,70,759
Balance with scheduled bank in current accounts		21,18,781	20,21,148
Bank Deposit with original Maturity of more than 3 month		93,01,629	1,89,97,914
		1,37,04,691	2,24,89,821
NOTE 7- LOANS & ADVANCES		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Loans and Advances			
(Unsecured, Considered Good unless otherwise stated)			
a) Advances recoverable in cash or kind or value to be received		14,56,705	6,90,037
b) Securities and Deposits		35,66,049	31,23,853
TOTAL		50,22,754	38,13,890
NOTE 8- OTHER CURRENT ASSETS		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Refunds Receivable(VAT, GST, IGST, TUFF, MAT etc)		4,25,59,264	4,87,73,675.63
Export incentive Receivables		70,53,624	17,67,241.00
Advances recoverable in cash or kind		72,04,362	45,36,941.30
Cheque in Hand		1,12,65,840	1,75,80,166
Advances to suppliers for capital goods			0
Advances to suppliers of raw material, stores, goods in transit		10,39,66,999	7,47,03,138.94
Pre paid exp.		11,25,370	12,19,829.00
TOTAL		17,31,75,458	14,85,80,992



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NOTE 9- SHARE CAPITAL	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Authorised Capital 25,00,00,000 equity shares of Rs. 1/- each (Previous Year 25000000 equity shares of Rs. 1/- each)	25,00,00,000	25,00,00,000
Issued Share Capital 14,65,26,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 14652695 equity shares of Rs. 1/- each fully paid up)	14,65,26,950	14,65,26,950
Subscribed & Paid up Capital 14,65,26,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 14652695 equity shares of Rs. 1/- each fully paid up)	14,65,26,950	14,65,26,950
TOTAL	14,65,26,950	14,65,26,950
NOTE 10- RESERVE & SURPLUS	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Share Premium Reserves Opening balance	15,59,75,000	15,59,75,000
Addition during the year		
Balance	15,59,75,000	15,59,75,000
General Reserve Opening Balance	2,88,05,050	2,88,05,050
Balance carried forward	2,88,05,050	2,88,05,050
Profit & Loss Account Balance brought forward from previous year	42,29,99,776	40,77,75,625
Add : Net Profit for the Current Year	6,27,01,044	1,66,89,421
Less : Dividend Paid on Equity Shares	(14,65,270)	(14,65,270)
Less : Earlier years amounts trfd	-	-
Less : Dividend Distribution Tax	-	-
TOTAL	48,42,35,550	42,29,99,776
	66,90,15,600	60,77,79,826
LONG TERM BORROWINGS		
NOTE 11- SECURED LOANS	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Note 11A: Long Term Borrowings Term Loans		
a S.B.I. Term Loan A/c No.34001402481 (@ 11.80%)		-
b S.B.I. Term Loan A/C NO. 36625258263 (@11.70%)	2,14,12,701	2,43,96,660
c Union Bank of India T/L NO.034030100007657 (@10.75%)	5,96,00,000	6,20,00,000
d Term Loan HDFC Bank (@8.75%)	10,17,70,683	10,16,65,910
HDFC BANK LTD. TERM LOAN A/C NO. 003LN65212320001(GECL)	4,79,14,267	-
e Union Bank Of india TL NO.034030100008850 (@10.75%)	14,70,284	28,65,352
f Union Bank of India (GECL WCTL A/C 034016990000005) @7.80%	1,76,05,355	1,76,93,788
g SBI GECL WCTL A/c 40014721600 @7.95%	8,10,54,706	8,25,90,437
ANDHRA BANK (CAR LOAN A/C 034016520000007)	1,02,61,226	-
h South Indian Bank GECL	2,80,00,000	-
Less : Term Loan Instalmentd payable within one year	(10,69,98,213)	-
Total (a)	26,20,91,009	29,12,12,148
Terms of repayment of Term Loans		
a.S.B.I. Term Loan A/C No-34001402481 stands repaid in full		
b & c. Repayment of term loans under "b & c" Rs.15.00 lacs per month for 30 month, 25 lacs for 25 months and 35 lacs for 12 months in proportion to the sanctioned amounts between SBI and AB.		
d. Repayment of term loan 60EMI starting from the October 2019 onwards		
e.Repayment in 48 EMI		
f & g. WCTL under GECL2.0 scheme is repayable in 48 EMI with moratorium of 12 months total tenure of 60 months		
Security given to the banks		
* For term loans "a" to "e" of note 5 the first pari pasu charge on the fixed assets is given to the lending banks under consortium on reciprocal basis. Second charge on current assets has been given to lending banks on paripassu basis.		
** All the credit facilities are guaranteed by personal guarantee of the Managing Director . Term loans at sr.no a to e are also collaterally secured by Equitable mortgage of land and building of Bhandari Knit Exports		



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Financial lease Hire charges obligations		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
h	HDFC Vehicle loan *	34,72,642	53,52,144
i	Kotak Mahindra Bank Ltd. *		-
j	Unsecured Loans from Directors**	9,09,00,000	9,09,00,000
	Total (b)	9,43,72,642	9,62,52,144
	Total (a+b)	35,64,63,651	38,74,64,292
* Car Loans are secured by way of hypothecation of respective car to the respective banks & personal guarantee of the Managing Director			
** Unsecured loans from director (Mr Nitin Bhandari) as stipulated by bank are interest free			
Note 11B :Short Term borrowings		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Working capital Limits			
k	S.B.I. E.P.C. (@8.15%) & SLC (@10.15%)	29,94,648	2,29,49,936
l	S.B.I. CCA 30729399785 (@9.15%)	41,83,73,125	41,69,48,556
m	South Indian Bank Limited	13,15,13,070	13,76,90,649
N	HDFC Bank Limited cc Limit (@8.40%)	12,27,22,177	11,78,39,423
		67,56,03,020	69,54,28,564
	GRAND TOTAL	1,03,20,66,671	1,08,28,92,856
Security provided to the banks , Financial institutions			
a) Working capital limits (k,l ,m & n of note 5) are secured by first charge on all stocks consisting of Raw Material, WIP, 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.			
b) Extension of charge on the entire fixed assets of the company also given to the lending bank on first parripassu basis			
c) All Working capital limits are guaranteed by personal guarantee of the Managing Director.			
d) Working limits (k, l, m & n) are also collaterally secured by Equitable mortgage of land and building of associate concern Tikani Exports Limited.			
e) CC and EPC Limits are repayable on demand. Present Rate of interest on these limits is EPC @ 7.55, CC @9.15% p.a.(SBI), . There is no default on repayment of interest on these accounts.			
f) SLC Limit is repayable on demand. Rate of interest on this limits is 10.15% p.a. There is no default on repayment of interest in this accounts.			
NOTE 12- DEFERRED TAX LIABILITY		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
<u>Deferred Tax Liability (See note 2.10 also)</u>			
	Opening Balance	3,83,95,391	3,75,69,391
	Add:-Provision for the year	4,00,000	8,26,000
		3,87,95,391	3,83,95,391
NOTE 13-Trade payables		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
	Creditors for capital goods		
-	Sundry creditors	11,96,84,893	8,57,80,635
		11,96,84,893	8,57,80,635
NOTE 14- OTHER LAIBILITIES		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
	Unpaid dividend	4,43,723	3,94,223
	Statutory dues	33,71,966	29,33,428
	Other payables	1,67,68,882	1,22,44,513
	Term Loan instalments payable in one year	10,69,98,213	6,14,70,751
	Advances from customers	3,52,38,999	2,68,14,563
		16,28,21,783	10,38,57,477
NOTE 15- PROVISIONS		Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
	Provision for Gratuity	39,86,870	39,86,870
	Provision for Income-Tax	54,00,000	37,08,200
		93,86,870	76,95,070



Misc *Nitin Bhandari*

NOTE 16- TURNOVER	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Sales -Export	17,03,83,232	9,72,84,295
Sales-Domestic	2,66,24,38,065	2,16,06,39,527
	2,83,28,21,297	2,25,79,23,823
NOTE 17- OTHER INCOME	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Insurance Claims Received	77,726	25,048
Freight Recd	8,70,547	19,42,994
Interest others	5,93,212	7,57,604
	15,41,485	27,25,646
NOTE 18- COST OF RAW MATERIAL CONSUMED	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Material Consumed		
Opening stock of Raw materials	25,20,60,419	19,83,50,000
Purchase of raw materials & semi finished gods	2,12,46,90,485	1,80,19,56,998
	2,37,67,50,904	2,00,03,06,998
Less: Closing stock of raw materials & semi finished goods	20,05,21,038	25,20,60,419
Material consumed	2,17,62,29,866	1,74,82,46,579
	2,17,62,29,866	1,74,82,46,579
NOTE 19- INCREASE(-) /DECREAAASE(+) IN STOCK	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Increase(-)/Decrease (+) in stock		
Closing stock of WIP	21,52,15,200	24,39,47,471
Closing stock of finished goods	28,50,37,516	24,07,95,750
	50,02,52,716	48,47,43,221
Less:		
Opening stock of Work-in-Process	24,39,47,471	25,29,75,000
Opening stock of finished goods	24,07,95,750	24,48,23,500
	48,47,43,221	49,77,98,500
Increase(-)/Decrease (+) in stock	(1,55,09,495)	1,30,55,279
NOTE 20- EMPLOYEE BENEFIT EXPENSES	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Personnel Expenses		
Director's Remuneration	48,00,000	43,20,000
Wages	6,42,97,771	5,35,73,897
Salary	3,21,95,109	2,51,54,380
Contribution. to PF, ESI etc.	41,38,240	26,59,698
Worker's Welfare, Bonus, gratuity ,LWW, L.T.C. etc.	53,09,006	60,07,666
TOTAL	11,07,40,126	9,17,15,641
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		
Post retirement benefit comprise of provident fund and gratuity which are accounted for as follows;		
i Provident fund		
This is a defined contribution plan and contribution made to the fund are charged to revenue .The Company has no further obligation for the		
ii Gratuity Fund		
This is a defined contribution plan . The Liability of the company is determined based on the actuarial valuation using projected unit credit		
iii Leave with wages		
Provisions for leave with wages is made on the basis of leave accrued to		



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NOTE -21 FINANCIAL EXPENSES	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
Bank Charges & Commission	50,10,597	44,19,529
Bank interest Term Loan	3,47,16,005	3,15,68,243
Bank Interest CC	6,30,17,901	7,13,93,363
TOTAL	10,27,44,503	10,73,81,135
NOTE -22 OTHER EXPENSES	Current Year Ending 31.03.2022	Previous Year Ending 31.03.2021
<u>Manufacturing Expenses</u>		
Opening Stocks consumables	2,89,55,500	2,60,87,722
Consumables	2,77,42,882	1,77,24,839
Dyeing & Finishing	13,23,98,098	9,49,06,258
Testing & Sampling	3,23,185	8,86,627
Knitting Charges / Fabrication Charges	2,37,93,371	1,65,77,371
Power & Fuel	9,62,26,699	6,09,61,541
Less Consumables closing stocks	4,02,72,634	2,89,55,500
	26,91,67,100	18,81,88,858
<u>Office & Administrative Expenses</u>		
Audit & Tax Audit Fees	90,000	1,10,000
Board & Audit Commt. Meeting Fees	70,000	50,000
Charity and Donation	6,600	4,000
CSR Expenses	10,50,000	12,33,000
Fee & Taxes	36,47,839	18,87,676
Insurance Charges	33,40,844	34,03,759
Legal & Professional	30,52,578	27,28,727
Loss on sale of assets	12,99,469	7,57,624
Misc. Expenses	5,47,103	1,19,590
Printing & Stationery	16,06,480	8,50,028
Rent paid for showrooms		
Telephone & Telex	3,45,949	3,58,609
Vehicle Running Expenses	86,999	1,39,103
<u>Travelling & Conveyance</u>		
-Directors (Foreign)	17,47,423	1,72,866
-Directors (Domestic)	3,03,446	-
-Others	38,02,605	17,12,067
<u>Repair & Maintenance</u>		
- Building	22,07,041	3,90,927
- Electric	15,22,491	2,20,084
- General	20,50,891	2,46,710
- Machinery	62,88,390	15,04,312
- Vehicle	4,79,050	2,88,934
<u>Selling & Distribution Expenses</u>		
Brokerage & Commission	60,66,956	10,62,096
Courier expenses	16,74,198	12,05,410
ECGC Premium	22,913	24,953
Export Expenses	30,463	51,222
Packing Material	80,42,524	52,42,489
Rebate & Discount (Quality Claim)	41,38,816	0
Rebate & Discount (Sales)	20,34,743	41,96,174
Sale Promotion & Exhibition	7,94,876	1,54,954
Shipping & Freight	1,14,51,749	87,44,566
	33,69,69,534	22,50,48,738



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BHANDARI HOSIERY EXPORTS LIMITED

NOTE -3- Property, Plant & Investments for the year ending

Current Year Ending 31.03.2022

PARTICULARS	GROSS BLOCK as at 01.04.2021	ADDITIONS DURING THE YEAR	SALE / TRANSFER DURING THE YEAR	GROSS BLOCK AT 31.03.2022	DEPRICIATION UP TO 01.04.2021	DEPRICIATION Reversed	DEPRICIATION FOR THE YEAR	DEPRICIATION UPTO 31.03.2022	NET BLOCK AS AT 31.03.2022	NET BLOCK AS AT 31.03.2021
FREE HOLD LAND	37,32,500	-	-	37,32,500	-	-	-	-	37,32,500	37,32,500
BUILDING & SITE DEVELOPMENT	16,93,22,926	-	-	16,93,22,926	5,76,65,629	-	53,67,537	6,30,33,166	10,62,89,760	11,16,57,297
TEMPORARY FITTING	9,16,131	-	-	9,16,131	9,16,131	-	-	9,16,131	0	-
PLANT & MACHINERY	70,48,30,386	2,37,48,900	1,94,19,129	70,91,60,157	23,82,47,687	-	4,60,62,977	28,43,10,664	42,48,49,493	46,65,82,699
FURNITURE & FIXTURE	70,77,788	1,26,260	-	72,04,048	70,55,996	-	-	70,55,996	1,48,052	21,792
OFFICE EQUIPMENT	25,63,273	-	-	25,63,273	23,54,380	-	82,107	24,36,487	1,26,786	2,08,893
ELECTRIC FITTING & EQUIPMENT	1,78,21,645	6,64,909	-	1,84,86,554	1,67,37,745	-	-	1,67,37,745	17,48,809	10,83,900
CAR	2,43,73,254	1,24,50,164	76,25,550	2,91,97,868	1,00,59,376	21,73,281	31,03,969	1,09,90,064	1,82,07,804	1,43,13,878
VEHICLES	24,15,514	-	-	24,15,514	23,44,900	-	70,614	24,15,514	0	70,614
TOTAL	93,30,53,417	3,69,90,233	2,70,44,679	94,29,98,971	33,53,81,844	21,73,281	5,46,87,204	38,78,95,767	55,51,03,204	59,76,71,573
CAPITAL WORK IN PROGRESS	2,20,95,897	-	2,20,95,897	-	-	-	-	-	0	2,20,95,897
WIP CETP DEPOSIT	5,47,200	-	5,47,200	-	-	-	-	-	0	5,47,200
INTEGIBLE ASSETS	2,20,958	-	-	2,20,958	95,971	-	-	95,971	1,24,987	1,24,987
TOTAL	95,59,17,472	3,69,90,233	4,96,87,776	94,32,19,929	33,54,77,815	21,73,281	5,46,87,204	38,79,91,738	55,52,28,191	62,04,39,657
Previous Year	93,68,53,602	2,95,33,044	1,04,69,172	95,59,17,474	28,36,67,515	21,68,176	5,39,78,476	33,54,77,815	62,04,39,659	65,31,86,087



K. P. Shan

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022.

NOTE 1 - CORPORATE INFORMATION

Bhandari Hosiery Exports Limited (BHEL) is a public limited Company incorporated under the provisions of Companies Act, 2013. The CIN of Company is L17115PB1993PLC013930 and Registered Office of company is situated in Punjab at Bhandari House, Village Meharban, Rahon Road, Ludhiana. The Company is listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company does not have any subsidiary Company. The Company is into Textiles and is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 20 years experience and state of art manufacturing facilities, BHEL manufactures garments of leading international and overseas brands and some overseas retail chains in the international market BHEL has presence in around many countries including quality conscious markets like USA, European Union etc.

The company is engaged in manufacture of knitted fabrics Kora and dyed and is also in the manufacture and export of knitted hosiery garments such as T-Shirts, Pullovers, Sweat Shirts, Bermudas, Polo Shirts, Track Suits, Pajamas, Lowers, Ladies Knitted Tops with embroidery and prints etc. and manufacture, processing and trading of dyed and non-dyed fabrics at domestic and international levels. The Company confirms to International standards in Human Recourses Practices and adopts Eco-friendly standards in production.

NOTE 2 - ACCOUNTING POLICIES

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 Indian Accounting Standards in India (Ind AS). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and there levant 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 preparations of financial statements requires the management to make estimates and



Mica H. K. Phanda

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:

a.	Short term benefits	Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
b.	Long term post retirement	Post retirement benefits comprise of Provident fund and gratuity which are accounted for as follows:
i.	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.
ii.	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.
iii.	Leave with wages	Provisions for leave with wages are made on the basis of leave accrued to the employee during the year.

(f) Property, Plant & Equipments:

Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

- (a) Its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site



Mica *Uthappa*

on which it is located the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/-or below on which depreciation is charged @ 100% per annum on proportionate basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(g) Depreciation:

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets as specified in Schedule II of Companies Act, 2013.

(h) Inventories:

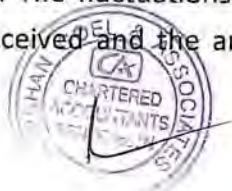
Stores and spares and raw material are valued at Cost. Semi Finished Goods are valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever is less. Finished goods are valued at cost or net realizable value whichever is less. Cost includes materials,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



M. K. Mittal

(ii) In respect of export bills remaining unrealized at the year end against which the payments received in the subsequent years the difference arising there on 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 0/- (Previous Year Rs. 124339/-) has been shown separately under Other Expenses in Statement of Profit and Loss.

2.2 Contingent Liabilities not provided for (Rs. In Crores)

Sr. No.	Particulars	As at 31.03.2022	As at 31.03.2021
(a)	Letter of Credit outstanding	0	0.0
(b)	Bank Guarantee outstanding	0.17	1.24
(c)	Bill discounting with bank against irrevocable Foreign Letter of Credit	0.62	0.00

2.3 (a) Sales taxes/VAT/GST 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:

<u>LIST OF CASES</u>				
Sr. No.	Name of Case	Section/Case Number	Court or Tribunal	Status
1.	CHD Chemicals Limited Vs Bhandari Hosiery Exports Limited	Arbitration 848/2018	Chandigarh District Court	Notice and Record
2.	CHD Chemicals Limited Vs Bhandari Hosiery Exports Ltd.	Arbitration 46/2018	Chandigarh High Court	Pending
3.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case1)	NIA sec 138 3575/2019	Ludhiana District Court	For Evidence
4.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 2)	NIA sec 138 4475/2019	Ludhiana District Court	For Appearance
5.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 3)	NIA sec 138 5729/2019	Ludhiana District Court	For Appearance



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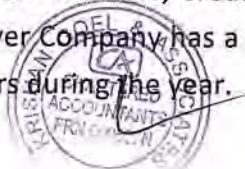
6.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case4)	NIA sec 138 6611/2019	Ludhiana District Court	For Evidence
7.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 5)	NIA sec 138 24268/2019	Ludhiana District Court	For Argument
8.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case 6)	NIA sec 138 28638/2019	Ludhiana District Court	For Evidence
9.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case7)	NIA sec 138 30885/2019	Ludhiana District Court	For Appearance
10.	Bhandari Hosiery Exports Limited Vs NAB Productions Pvt. Ltd. (Case8)	NIA Sec 138 2603/2020	Ludhiana District Court	For Appearance
11.	Marvel Dyers Vs Bhandari Hosiery Exports Limited	Civil Revision Suit 5430/2019	High Court Punjab &Haryana	Pending
12.	Marvel Dyers Vs Bhandari Hosiery Exports Limited	Civil Revision Suit (Rebutal Stage) 1210/2015	Ludhiana District Court	Pending
13.	Bhandari Hosiery Exports Limited Vs. Samar Gulati	COMA/1257/2020 NIA U/s 138	Ludhiana District Court	For Appearance
14.	Bhandari Hosiery Exports Limited Vs. Samar Gulati	COMA/1258/2020 NIA U/s 138	Ludhiana District Court	For Appearance
15.	Bhandari Hosiery Exports Ltd. Vs. PankajVerma	COMI/196/2019	Ludhiana District Court	For Evidence
16.	Bhandari Hosiery Exports Ltd Vs Kanti Gupta	RSA-741/2019	CHD High Court	Pending

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 Indian Accounting Standards 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.



Misc

2.8 In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business atleast 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 textiles as reportable segment. The company operates in domestic and export segment geographically. The sales for both are separately given. But due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately. Domestic Sales consists sales made in different parts of India. Export Sales consists exports made to Germany, USA, U.K., Dubai and other countries of European Union (EU). The Export sales and Domestic sales are as under:

Particulars	2021-22 (Rs. In lacs)	2020-21 (Rs. In lacs)
Export sales	1648.99	972.84
Domestic sales	26676.44	21606.39
Total	28325.43	2579.23

2.10 Investments

Particulars	2021-22	2020-21
Investment in shares , etc.	Nil	Nil

2.11 Auditor's Remuneration

Particulars	Amt in Rs. 2021-22	Amt in Rs. 2020-21
Statutory Audit fee	60,000	60,000
Tax audit Fee	20,000	20,000
Limited Review Report	30,000	30,000
Total	1,10,000	1,10,000

2.12 Deferred Tax Liability

As per requirements of the Indian Accounting standard, the company has created deferred tax liability for the year of Rs. 4,00,000/- (previous year 8,26,000/-) which consists of the following:

(Amt in Rs.)

PARTICULARS	At the beginning of the Year	Charged during the Year	At the close of year
Timing Difference on account of			
Depreciation	39395391	400000	38795391
-Others	0	0	0
-Net Deferred Tax Liability	38395391	400000	38795391



M. K. Goel *Rishabh Goel*

2.13 Micro, Small and Medium Industries:-

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under (the credit period with MSME supplier are mutually agreed upon):

(Amt in lacs)

Particulars	2021-22
Principal amount remaining unpaid to any supplier as at the end of accounting year	-
Interest due there on remaining unpaid to any supplier as at the end of the accounting year	-
The amount of interest paid along with amount of the payment made to the supplier beyond appointed day	-
The amount of interest due and payable for the year	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-

2.14 Related Party Disclosure

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

Related parties with whom transactions have taken place during the year 2021-22.

a. Key Managerial Personnel:

1. Mr. Nitin Bhandari, Chairman cum Managing Director
2. Mr. Manoj Kumar, CFO (resigned w.e.f 30.08.2021)
3. Mr. Daljeet Singh Company Secretary
4. Mrs. Misha Malhotra (appointed w.e.f 30.08.2021)

b. Relatives of Key Managerial Personnel

1. Mr. Naresh Bhandari (Father of Mr. Nitin Bhandari, Chairman cum Managing Director)
2. Ms. Kusum Bhandari (Mother of Mr. Nitin Bhandari, Chairman cum Managing Director)
3. Ms. Aditi Bhandari (Wife of Mr. Nitin Bhandari, Chairman cum Managing Director)
4. Ms. Nitika Bhandari (Sister of Mr. Nitin Bhandari, Chairman cum Managing Director)

Nature of Transactions	Total Amount (in lakhs) 2021-22	Total Amount (in lakhs) 2020-21
Remuneration/Salary paid to key Managerial Personnel	52.42	52.42



Misha Malhotra

Remuneration/Salary paid to Relatives of Key Managerial Personnel being employees	23.16	25.28
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A. Enterprise owned or significantly influenced by key management personnel or their relatives:

1. Tikani Exports Limited
2. Miracle Clothing Company
3. TBD Trading Company
4. Anthrilo Design House
5. Amaira Textiles Mills Plc

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 lakhs)	Total (Amt. in lakhs)
			2021-22	2020-2021
(1)	(2)	(3)	(4)	(5)
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Tikani Exports Limited	00.00	165.72
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	244.53	345.33
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	Tikani Exports Limited	109.50	0.00
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	1407.46	1112.61
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	Anthrilo Design House	130.10	46.56
Sale of Goods/Job Work	Nitin Bhandari and his Relatives	TBD Trading Company	0.00	0.00
Reimbursement of Expenses	Nitin Bhandari and his Relatives	Tikani Exports Limited	28.31	43.69

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.

2.15 Earning per share

The calculation of Earning Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Ind AS 33 on "Earnings Per Share". The following is the reconciliation of



M. R. Nitin Bhandari

the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	No. shares 2021-22	No. shares 2020-21
Issued equity shares	146526950	146526950
Number of Shares at the end of the year	146526950	146526950
Weighted average shares outstanding	146526950	146526950

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	Amt in lacs (2021-22)	Amt in lacs (2020-21)
Profit and loss after tax	627.01	166.89
Basic Earnings per share (B/A)	0.43	0.11
Basic Earnings per share (B/A)	0.43	0.11

2.16 Leases

There are no such rental/lease agreements entered into by the Company which required is closure under Ind AS-116.

2.17 Additional information

a Value of Imports Calculated on C.I.F. Basis	31.03.2022 (RS.)	31.03.2021 (RS.)
(i) Raw Material	Nil	Nil
(ii) Stores, Spares, Needles, Labels,	23,01,344	24,47,415
(iii) Capital Goods	Nil	8,74,29,786
b Expenditure in Foreign Currency		
(a) Travelling and Conveyance	37,98,000	16,81,145
(b) Quality claim, rebate & discount etc.	41,38,816	NIL
c Foreign Exchange Earnings		
(a) FOB Value of Exports	16,48,99,760	9,52,74,317
d The Value of Consumption of Raw Materials and Stores		

Particulars	Year ended	Raw Material	%	Stores	%
	31 st March				
a) Imported	2022	NIL	NIL	23,01,344	10.08
b) Indigenous	2022	2,17,62,29,866	NIL	2,05,70,787	89.92
c) Imported	2021	NIL	NIL	24,47,415	16.35
d) Indigenous	2021	1,74,82,46,579	100	1,25,28,539	83.65



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

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

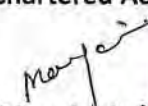


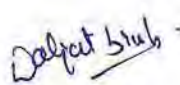
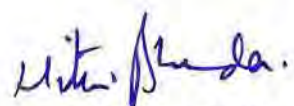
Details of Crypto Currency or Virtual Currency:-

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-22.

Details of Corporate Social Responsibility (CSR)

The Company is covered under section 135 of The Companies act, 2013. Provisions of CSR are applicable on the company, following are the details of amount spend on CSR activities:

Sr. No.	Particulars	Amount (In. Rs)
a.	amount required to be spent by the company during the year	10.50
b.	amount of expenditure incurred	10.50
c.	shortfall at the end of the year	Nil
d.	total of previous years shortfall	N.A.
e.	reason for shortfall	N.A.
f.	nature of CSR activities (promoting education)	
g.	Details of related party transactions e.g, contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	

<p>For KRISHAN GOEL & ASSOCIATES FRN: 009607N Chartered Accountants  (Manoj Jain) Partner Membership No. 091621 Place: Ludhiana Date: 30.05.2022</p> 	<p>For and on behalf of the Board of Directors of BHANDARI HOSIERY EXPORTSLIMITED</p>  (Misha Malhotra) Chief Financial Officer  (Daljeet Singh) Company Secretary  (Nitin Bhandari) Chairman & Mg. Director DIN :01385065
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ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information for the Financial Years ending March 31, 2023, March 31, 2022 and March 31, 2021. For further details please refer to the section titled '**Financial Statements**' beginning on page no. 69.

Consolidated:

PARTICULARS	2023**	2022**	2021**
Basic and Diluted Earnings per Equity Share (₹)	0.44	0.43	0.11
Return on Net Worth (%)	7.37%	7.69%	2.21%
Net Asset Value per Equity Share (₹)	5.95	5.57	5.15
EBITDA (₹ in lakhs)	2334.52	2259.32	1825.82

**Based on the Audited Financial Statements for the Financial Year ending March 31

The formula used in the computation of the above ratios is as follows:

PARTICULAR	COMPUTATION OF FORMULAS
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss;

(Amount in ₹ lakhs)

PARTICULARS	2023**	2022**	2021**
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (A)	641.69	627.01	166.89
Net worth at the end of the year (B)	8712.29	8155.42	7543.06
Return on Net Worth (%) [(A)/(B)]	7.37%	7.69%	2.21%

(Amount in ₹ lakhs)

PARTICULARS	2023**	2022**	2021**
Net Worth (A)	8712.29	8155.42	7543.06
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the yearended (Numbers) (B)	146526950	146526950	146526950
Net Asset Value per Equity Share (₹) [(A)/(B)]	5.95	5.57	5.15

(Amount in ₹ lakhs)

PARTICULARS	2023**	2022**	2021**
Equity Share capital (A)	1465.27	1465.27	1465.27
Reserves and Surplus (B)	7247.02	6690.15	6077.79
Net Worth (₹) [(A)/(B)]	8712.29	8155.42	7543.06

(Amount in ₹ lakhs)

PARTICULARS	2023**	2022**	2021**
Net Profit/ (loss) after tax (A)	641.69	627.01	166.89
Income tax expenses (B)	138.38	58.00	45.34
Finance Cost (C)	1033.77	1027.44	1073.81
Depreciation and Amortization expense (D)	520.68	546.87	539.78
EBITDA (A+B+C+D)	2334.52	2259.32	1825.82

Note:

**Based on the Audited Financial Statements for the Financial Years ending March 31.

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STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the BSE and NSE and the Rights Equity Shares issued pursuant to this Issue will be listed on BSE - the Designated Stock Exchange and NSE. For further details, please refer to the section titled '*Terms of the Issue*' on page no. 178.

Our Company has received an in-principle approval for listing of the Rights Equity Shares on the BSE vide letter No. LOD/RIGHT/AB/FIP/548/2023-24 dated August 25, 2023 and NSE vide letter No. NSE/LIST/36199 dated August 14, 2023. Our Company shall also make applications to BSE and NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE and NSE, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

FINANCIAL YEAR	DATE OF HIGH	HIGH	VOLUME ON DATE OF HIGH (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME ON DATE OF LOW (NO. OF EQUITY SHARES)	AVERAGE PRICE FOR THE FINANCIAL YEAR
2022-23	05-Apr-22	8.18	116108	29-Mar-23	3.66	66448	5.76
2021-22	12-Jan-22	15.04	2431548	19-Apr-21	2.02	32817	4.99
2020-21	20-Jan-21	4.78	999171	03-Apr-20	0.70	15884	1.64

Source: www.bseindia.com

FINANCIAL YEAR	DATE OF HIGH	HIGH	VOLUME ON DATE OF HIGH (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME ON DATE OF LOW (NO. OF EQUITY SHARES)	AVERAGE PRICE FOR THE FINANCIAL YEAR
2022-23	04-Apr-22	8.05	584130	29-Mar-23	3.65	594635	5.76
2021-22	03-Jan-22	11.10	5000613	28-Apr-21	2.30	254641	3.90
2020-21	20-Jan-21	4.65	3433193	01-Apr-20	0.70	87481	1.43

Source: www.nseindia.com

The high, low, and average prices recorded on the BSE and NSE, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
Aug - 23	29-08-2023	8.30	1543598	02-08-2023	4.44	41401	5.69
Jul - 23	11-07-2023	5.10	125815	26-07-2023	4.40	120539	4.66
Jun-23	08-06-2023	5.39	79912	21-06-2023	4.50	184575	4.96
May - 23	04-05-2023	5.35	104411	24-05-2023	4.42	40494	4.91
Apr - 23	03-04-2023	5.20	362347	03-04-2023	4.30	362347	4.74
Mar - 23	09-03-2023	5.02	121555	29-03-2023	3.66	66448	4.41

Source: www.bseindia.com



MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
Aug - 23	29.8.2023	8.30	5653696	04.08.2023	4.45	339651	5.62
Jul - 23	7.07.2023	4.85	229135	28.07.2023	4.45	403456	4.66
Jun - 23	7.06.2023	5.45	1099132	21.06.2023	4.00	549737	4.96
May - 23	8.05.2023	5.35	216282	24.05.2023	4.55	222937	4.91
Apr - 23	3.04.2023	5.20	1567612	25.04.2023	4.20	203085	4.20
Mar - 23	9.03.2023	5.10	443796	29.03.2023	3.65	504635	4.42

Source: www.nseindia.com

The high, low, and average prices recorded on the BSE and NSE, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
04-08-23 to 04-09-23	29.8.2023	8.30	1543598	04.08.2023	4.45	89852	5.97

Source: www.bseindia.com

MONTH	DATE OF HIGH	HIGH	VOLUME (NO. OF EQUITY SHARES)	DATE OF LOW	LOW	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
04-08-23 to 04-09-23	29.8.2023	8.30	5653696	04.08.2023	4.45	339651	5.81

Source: www.nseindia.com

The Board had approved the Issue at their meeting held on 26th May, 2023 and also on 5th Sep, 2023. The high and low prices of Equity Shares as quoted on the BSE and NSE on 29-05-2023, the day on which the trading in the Equity Shares happened immediately following the date of the Board meeting and also on 5-09-2023 are as follows:

DATE	HIGH	LOW	Closing Price	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
29-May-23	5.11	4.74	4.83	45168	4.82
05-Sep-23	7.13	6.75	6.96	143557	6.92

Source: www.bseindia.com

DATE	HIGH	LOW	Closing Price	VOLUME (NO. OF EQUITY SHARES)	WEIGHTED AVERAGE PRICE
29-May-23	5.00	4.75	4.80	206572	4.81
05-Sep-23	7.20	6.75	7.00	895785	6.96

Source: www.nseindia.com

The Issue Price of ₹ 4.50 (Rupees Four and Paise Fifty Only) per Equity Share has been arrived at by our Company.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Financial Statements as of and for the Fiscal 2023 and Fiscal 2022 included in this Letter of Offer. Our Audited Financial Statements for Fiscal 2023 and Fiscal 2022 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Bhandari Hosiery Exports Limited, our Company. Unless otherwise indicated, financial information included herein are based on our ***Financial Statements*** for the period ended on Financial Years 2023 and 2022 included in this letter of offer beginning on page no. 69.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be *Forward Looking Statements* within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our company is into manufacturing of garments, knitted fabric and fabric dyeing with present production capacity of Fabric Knitting & Dyeing 20 Tonnes per day (TPD), Fabric Processing capacity of 20 TPD along with Garment manufacturing facility of capacity of 7,000 garments per day in the existing infrastructure comprising of land, building, and Plant and Machinery. For further details, please refer to the chapter titled ***Business Overview*** beginning on page no. 56.

FINANCIAL PERFORMANCE

The financial performance of our Company for the year ended on as on March 31, 2023 and March 31, 2022 is as follows:

Particulars	(Amount in ₹ Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations		
EBITDA	2334.52	2259.32
Profit before Tax	789.02	685.01
Net Profit after Tax available for Equity Shareholders	641.69	627.01

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled ***Risk Factors*** on Page No. 21.

Our Company's future results of operations could be affected potentially by the following factors:

1. Company's ability to successfully implement our strategy, our growth and expansion, technological changes;
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Changes in laws and regulations relating to the industries in which we operate;
7. Intensified competition in industries/sector in which we operate;
8. Our ability to attract, retain and manage qualified personnel;



9. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Our ability to expand our geographical area of operation.

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled '**Financial Statements**' beginning on page no. 69, there has been no change in accounting policies during the Fiscal years 2023 and 2022.

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks in CARO except as mentioned below.

RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS / OTHER OBSERVATIONS IN REPORT OF INDEPENDENT AUDITORS

- (a) In respect of reporting of figures of Inventories and Debtors to the secured lenders vs actual figures as per books - Sub para (b) of Para (ii) of Annexure B to the Independent Auditors Report. Please refer Chapter Financial Information commencing from page 69.
- (b) In respect of Statutory dues - Sub para (a) of Part (vii) of Annexure B to the Independent Auditors Report. Please refer Chapter Financial Information commencing from page 69.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

i. Revenue from operations

Revenue from operations is on account of sales of processed knitted fabrics and of garments in domestic and international markets.

Segment Revenue

Particulars	2022-23 (Rs. In lacs)	2021-22 (Rs. In lacs)
Export sales	3494.54	1703.83
Domestic sales	24828.06	26624.38
Total	28322.60	28328.21

ii. Other Income

Other income primarily comprises recurring income which includes interest earned, freight received and insurance claims received.

Expenses

Our expenses primarily comprise cost of raw material consumed, purchase of raw material and semi-finished goods, changes in inventories of finished goods and work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

i. Cost of material consumed

The Cost of material consumed comprises of opening stock of raw material and semi finished goods; add purchase of raw material and semi finished goods; less closing stock of raw material and semi finished goods. We do not purchase any material that is sold without doing any value addition to the same.

ii. Employee benefit expense

Employee benefit expense consists of remuneration to Directors, salaries to staff, wages to workers, bonus, contribution to provident fund & other funds and staff welfare expenses.



iii. Finance cost

Finance cost comprises bank charges, interest expense on secured loans i.e. term loans cash credit limits utilized for the purpose of working capital. We are not paying any interest on unsecured loans from promoters.

iv. Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on buildings, temporary fittings, plant and equipment, furniture & fixtures, office equipment, electric fitting and equipment, cars and vehicles.

v. Other expenses

Other expenses comprise of auditors remuneration, brokerage, provision of bad & doubtful debts & advances, consumption of spares and tools, goods outward expenses export, freight outwards – domestic, manufacturing expense, power and fuel expense, rent rates & taxes, freight & forwarding charges, legal and professional fees, repairs and maintenance on assets and general expenses.

vi. Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

RESULT OF OUR OPERATION

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2023		FOR THE YEAR ENDED MARCH 31, 2022	
	AMOUNT IN ₹ LAKHS	% OF TOTAL INCOM E	AMOUNT IN ₹ LAKHS	% OF TOTAL INCOM E
I. Revenue from Operations	28323	99.97	28328	99.94
II. Other Income	8	0.03	16	0.06
III. Total Income	28331	100.00	28344	100.00
IV. Expenses:				
Cost Of Materials Consumed	21633	76.36	21762	76.78
Changes In Inventories Of Finished Goods Work-In-Progress And Stock in Trade	(391)	(1.38)	(155)	(0.55)
Employee Benefits Expense	1224	4.32	1107	3.91
Finance Cost	1034	3.65	1027	3.62
Other Expenses	3521	12.43	3370	11.89
Depreciation And Amortization Expense	521	1.84	547	1.93
Total Expenses	27542	97.22	27659	97.58
V. Profit/(Loss) Before Tax	789	2.78	685	2.42
VI. Tax Expense:				
(1) Current Tax	160	0.56	54	0.19
(2) Deferred Tax Liability/(Assets)	(22)	(0.08)	4	(0.01)
(3) Excess/(Short) Provision Of Earlier Years				
VII. Profit/ (Loss) For the Period	651	2.29	627	2.21

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 WITH FINANCIAL YEAR ENDED MARCH 31, 2022

A) Total Revenue:

Our total revenue for the Fiscal 2023 was ₹ 28331 lakhs as compared to ₹ 28344 lakhs for the Fiscal 2022, representing a minor decrease in value terms of 0.05 %. Total revenue comprises of:



i) Revenue from Operations

Our revenue from operations for the Fiscal 2023 was ₹ 28323 lakhs as compared to ₹ 28328 lakhs for the Fiscal 2022, representing a minor decrease in monetary terms of 0.02%. This decrease in revenue from operations in monetary value was primarily due to the fact that we increased our sale of Garments (a high value added item) and sale of processed Fabric (a relatively low value added item) was less. As a result with a very minor decrease in sales we were able to achieve higher profits before tax during FY 23 by around 15%.

ii) Other income

Other income for the Fiscal 2023 was ₹ 8.53 lakhs as compared to ₹ 15.41 lakhs for the Fiscal 2022. Dip in other income in FY 2023 is on account of reduced interest receipts and non-recovery of freight.

B) Expenses

Our total expenditure for the Fiscal 2023 was ₹ 27542 lakhs as compared to ₹ 27659 lakhs for the Fiscal 2022, representing a decrease of 0.42 %. Total expenditure comprises of:

i) Cost of Material Consumed

The Cost of Material Consumed for the Fiscal 2023 was ₹ 21633 lakhs as compared to ₹ 21762 lakhs for the Fiscal 2022, representing a decrease of 0.59%. This decrease was due to change in composition of sales in FY23 as compared from the composition of sales in FY22. The Company purchased more of semi-finished garments and less of Fabric during FY 23.

ii) Changes in Inventories of finished goods and work-in-progress

The changes inventories of finished goods and work-in-progress for the Fiscal 2023 were ₹ -391 (negative) lakhs as compared to ₹ -155 (negative) lakhs for the Fiscal 2022, primarily due increase in closing stock of finished goods and work in progress.

iii) Employee benefit expenses

Employee benefit expense for the Fiscal 2023 was ₹ 1224 lakhs as compared to ₹ 1107 lakhs for the Fiscal 2022, representing an increase of around 10%. This increase was due to increase in increase in the salary of employees and addition of new employees.

iv) Finance cost

Finance cost for the Fiscal 2023 was ₹ 1034 lakhs as compared to ₹ 1027 lakhs for the Fiscal 2022, representing an increase of 0.68%. The increase in finance cost is due to utilisation of higher fund.

v) Depreciation and Amortization Expenses

Depreciation and amortization expense for the Fiscal 2023 was ₹ 521 lakhs as compared to ₹ 547 lakhs for the Fiscal 2022, representing a decrease of 4.76%.

vi) Other expenses

Other expenses for the Fiscal 2023 were ₹ 3521 lakhs as compared to ₹ 3370 lakhs for the Fiscal 2022, representing an increase of 4.30%. The increase was mainly due to higher Selling & Distribution Expenses and increase in the cost of Power & Fuel.

C) Profit/(loss) before tax:

Profit/(loss) before Tax for Fiscal 2023 was ₹ 789 lakhs as compared to ₹ 685 lakhs for Fiscal 2022, representing an increase of 13.2 %. This increase in profit was primarily due to change in composition of sales and resultant change in expenses.

D) Tax expenses:

Total tax expense for the Fiscal 2023 was ₹ 138 lakhs as compared to ₹ 58 lakhs for Fiscal 2022.

E) Profit/(loss) after tax:

For the reasons discussed above, the profit/(loss) after tax for the Fiscal 2023 was ₹ 651 lakhs as compared to ₹ 627 lakhs for the Fiscal 2022.

F) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:



Other than as described in the chapter titled **'Risk Factors'** and chapter titled **'Management's Discussion and Analysis of Financial Conditions and Results of Operations'** beginning on page no. 21 and 157, respectively, of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

G) Unusual or Infrequent Events or Transactions:

Except as described elsewhere in this Letter of Offer, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

H) Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known:

Other than as described in the chapter titled **'Risk Factors'** and chapter titled **'Management's Discussion and Analysis of Financial Conditions and Results of Operations'** beginning on page no. 21 and 157 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

I) Significant dependence on a Single or Few Suppliers or Customers:

There is no significant dependence on a single or few customers or suppliers.

J) Related Party Transactions:

For details, please see the chapter titled **'Financial Statements'** beginning on page no. 69.

K) Significant developments after March 31, 2023 that may affect our future results of operations:

Other than as disclosed in this Letter of Offer, there have been no significant developments after March 31, 2023, the date of the latest balance sheet included in this Letter of Offer that may affect our future results of operations.



SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the letter of offer including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations;

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

1) Litigation Involving Actions by Statutory/Regulatory Authorities

Details of dues under Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2023 (Rs. in lacs) and as on the date of the LOO. These amounts have been included in the Financial Statements of FY 23 as Contingent Liabilities.

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. crores)	Amount Unpaid (Rs. In lacs)
Income-tax Laws	Income-tax (other than TDS)	Neither suit is filed, nor amount is paid by the company. But company is contemplating filing rectification application and believe that there are fair chances of success.	A.Y. 2019-20, A.Y. 2018-19, A.Y. 2009-10	0.05	5.00
Income-tax Laws	Income-tax (TDS & TCS)		F.Y. 2021-22, F.Y. 2020-21, F.Y. 2019-20	0.04	4.00

*** amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order.**

2) LITIGATIONS BY THE COMPANY:

Civil proceedings:

a. Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd.

These are eight criminal complaints filed by us under Section 138 of the Negotiable Instruments Act bearing Nos. 3575/2019, 4475/2019, 5729/2019, 6611/2019, 24268/2019, 28683/2019, 30885/2019 and 2603/2020 and are processed in Ludhiana District Court. The complaints are against cheque bouncing committed by NAB Productions Pvt Ltd. in the year 2019 and the total principal amount involved is Rs. 18,38,021 in total 19 number of cheques that got bounced. The matter is still pending and is being processed as per the applicable statutes. Despite issuance of non bailable warrants the accused has failed to put up his appearance in the court. The court has directed now to serve through proclamation u/s 82 Cr.P.C. by way of Publication in the newspaper. Publication of the same is directed by the Court for 28.7.2023. Next dates of hearing of the cases are scheduled in the later part of Sep 2023.



b. Bhandari Hosiery Exports Ltd. Vs Samar Gulati (proprietor of M/s New Oxygen O2)

These are two criminal complaints under Section 138 of the Negotiable Instruments Act bearing Nos. 1257/2020 and 1258/2020 and are processed in Ludhiana District Court. The complaints are against cheque bouncing committed by New Oxygen O2 in the year 2019 and the total principal amount involved is Rs. 15 lacs involved in total three number of cheques that got bounced. The matter is still pending and is being processed as per the applicable statutes.

c. Bhandari Hosiery Exports Ltd. Vs Kanti Gupta & Ors. (proprietor of M/s Ambika Traders, Ludhiana) now against the legal heirs Mr. Johnny Gupta and Ms. Sonia Gupta.

BHEL used to purchase Yarn from Ambika Traders and in the process advanced amounts to Ambika Traders. Ambika Traders, during the year 2007, failed to supply yarn to BHEL and as a result BHEL lodged civil suit No. 474/2007 in the Court of Civil Judge, Junior Division, Ludhiana for recovery of Rs. 16,48,922 and future interest @ 24% per annum since 16.05.2007 which was dismissed by the Court vide order dated 5th March 2015. BHEL appealed against the dismissal of the Recovery Suit in the High Court of Chandigarh in year 2019 where the Legal heirs of Mr. Kanti Gupta were also included in the other parties. The matter is still pending for adjudication. Next date of hearing is 7th Feb 2024.

3) LITIGATIONS FILED AGAINST THE COMPANY:

Civil proceedings:

a. CHD Chemicals Limited Vs Bhandari Hosiery Exports Limited.

BHEL was purchasing chemicals from CHD Chemicals Limited and due to quality issues in the year 2017 CHD Chemicals issued Credit Notes to BHEL in some sort of commercial settlement of disputes. Under the Purchase Orders issued by BHEL to CHD Chemicals there was a clause of Arbitration in case of any dispute to refer the matter for Arbitration u/s 11 of the Arbitration and Conciliation Act, 1996. CHD Chemicals raised a dispute vide a Legal Notice dated 14.9.2017 to recover Rs. 20,04,687 + interest @ 12% per annum from 1st April, 2017 till actual date of realization.

BHEL, in a counter dispute, appointed a sole arbitrator Dr (CS) SP Sharma, Advocate Punjab and Haryana High Court to adjudicate the dispute to recover an amount of Rs. 5,00,000 from CHD Chemicals Limited towards damages. Arbitral Tribunal met several times between April 2018 to August 2018 and the Arbitral Award dated 11.08.2018 in the matter Bhandari Hosiery Exports Limited Vs CHD Chemicals Ltd. was awarded dismissing the claim of BHEL to recover Rs. 5,00,000 from CHD Chemicals Ltd.

CHD Chemicals Limited instituted case No. ARB/848/2018 as Application u/s 34 of the Arbitration and Conciliation Act, 1996 before the District and Sessions Court Chandigarh which is pending for receipt of Arbitral Records in the court. Next date of hearing is 04.11.2023.

CHD Chemicals approached the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh on 3.1.2018 in the form of Arbitration Case No. ARB-46-2018 CHD Chemicals Limited Vs Bhandari Hosiery Exports Ltd. and others agitating against appointment of Sole Arbitrator by BHEL, challenging and requesting to set aside the Sole Arbitration Award dated 11.08.2018 and requesting for appointment of Arbitrator u/s 11 of the Arbitration and Conciliation Act, 1996 for adjudication of the disputes to recover Rs. 20,04,687 + interest @ 12% per annum from 1st April, 2017 till actual date of realization of the amount.

On 10.11.2022 the petition was "... adjourned sine die to await decision of the objecting Court (Additional District Judge, Chandigarh in ARB/848/2018 u/s 34 of the Arbitration and Conciliation Act) with liberty given to the petitioner to file an appropriate application for revival of the present case (if need be) after decision by the objecting Court."

b. Marvel Dyers Vs Bhandari Hosiery Exports Limited.

Marvel Dyers used to receive goods from BHEL for dyeing purposes on job work basis and in the year 2013 due to defective dyeing done by Marvel Dyers BHEL suffered losses and business from its customers and therefore deducted part of the amount in the invoices raised by Marvel Dyers. Marvel Dyers agitated against such deductions made by BHEL and lodged case No. 1210/ 2015 in the court of Civil Judge, Junior Division, Ludhiana District Court for recovery of Rs. 18,13,636.94 (principal amount) + interest @ 18% per annum from 10.5.2013 to 20.2.2015 + future interest @ 18% from the date of filing of the suit till realization of the



amount. The plaintiff in the year 2019 moved application u/s 151 of CPC for permission to place and prove on record documents by way of additional evidence which was rejected by the Hon'ble Court vide order Dated 17.8.2019.

The Plaintiff then moved the Hon'ble Chandigarh High Court in the form of Civil Revision Petition No. 5430/2019 Marvel Dyers and Processors Private Limited Vs Bhandari Hosiery Exports Limited and others which is pending. Next date of hearing is 20.09.2023. The Hon'ble High Court has stayed the proceedings in case No. 1210/2015 in Ludhiana District Court and the stay has so far been continuing on date to date basis and the next date of hearing is 30.09.2023.

4) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company.

5) Proceedings involving material violations of Statutory Regulations by our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company.

6) Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company.

7) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

As on date of this Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS, PROMOTER GROUP AND KMPs

Litigation Involving Actions by Statutory/Regulatory Authorities:

As on date of this Letter of Offer, except as mentioned below, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors, promoters, and promoter group.

Criminal proceedings – NIL

Civil proceedings - NIL

LITIGATION INVOLVING OUR GROUP COMPANIES

We do not have any group company.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWERS

Neither our Company, nor our Promoter or any of our Directors, are or have been categorized as a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.



DETAILS OF MATERIAL DEVELOPMENTS OCCURING IN LEGAL MATTERS SINCE MARCH 31, 2023

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.



GOVERNMENT AND OTHER APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Letter of offer.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1) Approvals in Relation to the Issue

- a. The Board of Directors in pursuance of Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on 26th May, 2023, and on 5th September, 2023 have authorized the issue.
- b. In-principle approval from the BSE and NSE bearing reference LOD/RIGHT/AB/FIP/548/2023-24 dated 25th August, 2023 and NSE/LIST/36199 dated 14th August 2023 to use the name of BSE and NSE for listing of the Equity Shares issued by our Company pursuant to the Issue;
- c. The Board of Directors vide Board resolution dated 26th May, 2023, and dated 5th September, 2023 approved this Draft Letter of Offer;
- d. The ISIN of the Company is INE474E01029;
- e. The ISIN for the Rights Entitlement is INE474E20011;

2) Corporate / General Authorizations

APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

SR. NO.	DESCRIPTION	REGISTRAR/ISSUING AUTHORITY	REGISTRATION NO. /REFERENCE NO. /LICENSE NO.	DATE OF CREATION	DATE OF EXPIRY
1.	Certificate of Incorporation in the name of 'Bhandari Hosiery Exports Limited'	Registrar of Companies, Punjab & Chandigarh, Ludhiana	013930	25.11.1993	Valid until cancelled



TAX RELATED APPROVALS

SR. NO.	DESCRIPTION	REGISTRAR/ISSUING AUTHORITY	REGISTRATION NO. /REFERENCE NO. /LICENSE NO.	DATE OF CREATION	DATE OF EXPIRY
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AAACB6724D	25-11-1993	Valid until cancelled
2	Tax Deduction and Collection Account Number (TAN)	Income Tax Department, Government of India under Income Tax Act, 1961	JLDB00646C		Valid until cancelled
3	Goods and Service Tax (GST)	Government of India	03AAACB6724D1ZA	1-7-2017, revised on 31-12-2020	Valid until cancelled

3) Material approvals in relation to our business operations

SR. NO.	DESCRIPTION	REGISTRAR/ ISSUING AUTHORITY	REGISTRATION NO./REFERENCE NO. /LICENSE NO.	DATE OF CREATION	DATE OF EXPIRY
1.	IEC Registration	DGFT, GOI	3093006996	31/01/1994	Valid until cancelled
2.	Professional Tax Registration	Department of Excise and Taxation, Punjab State Development Tax	RC No. E30 AAACB6724D, IP - 172.17.0.1	19/07/2021	Valid until cancelled
3.	License to work as Factory under the provisions of Factories Act, 1948	Chief Inspector of Factories, Directorate of Factories, Department of Labour, Punjab - Ludhiana-5	LDH0FL2705	8/01/2019	31/12/2023
4.	Fire Safety Certificate	Punjab Fire Services (Ludhiana MC)	NOC No. 1211-60449-Fire/44286	31/10/2022	31/10/2023
5.	Consent under Air (Prevention & Control of Pollution) Act, 1981	Punjab Pollution Control Board, Ludhiana	CTOA/Renewal/LDH3/2021/15854076	28/12/2021	31/03/2025
6.	Consent to operate an outlet u/s 25/26 of Water (Prevention & Control of Pollution) Act, 1974 for discharge of effluent	Punjab Pollution Control Board, Ludhiana	CTOW/Varied/LDH3/2022/1754607	15/03/2022	31/03/2025



4) Material Licenses and Approvals for which applications have been filed by our Company

NIL

5) Material Licenses and Approvals for which applications are yet to be filed by our Company

NIL



MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2023, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- The Board of Directors of our Company has, at its meeting held on May 26, 2023, approved fund raising, for an amount of Rs. 761 Lacs (Rupees Seven hundred and sixty one lacs only), through Rights Issue to the eligible equity shareholders.
- The Board of Directors of our Company, at its meeting held on May 26, 2023 had approved Draft Letter of Offer for the proposed Rights issue and filed with the stock exchanges for In-Principle approval. The Board of Directors of our Company, at its meeting held on September 5, 2023 approved the Letter of Offer for the proposed Rights Issue after obtaining the In-Principle approvals of BSE and NSE. Meeting of the Rights Issue Committee in its meeting held on 11th September, 2023 revised the Record Date that is mentioned in this Letter of Offer in compliance with the applicable regulatory.
- CRISIL Limited has provided following rating action on the credit ratings w.e.f. 6th April, 2023 vide their Letter No. RL/BHAHOS/310600/BLR/0423/56720. Long Term Rating is “reaffirmed” to be CRISIL BBB-/Stable and Short Term Rating has also been “reaffirmed” to be CRISIL A3. Company continues to enjoy the same rating since 22-10-2021 and has been rated ‘stable’ thrice since then.

SN	Bank Facility	Bank	Amount (Rs. in lacs)	Outstanding Rating
1	Bank Guarantee	State Bank of India	20	CRISIL A3
2	Cash Credit	The South Indian Bank Limited	1520	CRISIL BBB-/Stable
3	Cash Credit	State Bank of India	4325	CRISIL BBB-/Stable
4	Cash Credit	HDFC Bank Limited	1255	CRISIL BBB-/Stable
5	Foreign Exchange Forward	State Bank of India	24	CRISIL A3
6	Proposed Fund Based Bank Limits	State Bank of India	1914	CRISIL BBB-/Stable
7	Proposed Long Term Bank Loan Facility	-	272	CRISIL BBB-/Stable
8	Standby Line of Credit	State Bank of India	200	CRISIL BBB-/Stable
9	Term Loan	HDFC Bank Limited	814	CRISIL BBB-/Stable
10	Term Loan	Union Bank of India	387	CRISIL BBB-/Stable
11	Working Capital Demand Loan	HDFC Bank Limited	336	CRISIL BBB-/Stable
12	Working Capital Demand Loan	State Bank of India	630	CRISIL BBB-/Stable
13	Working Capital Demand Loan	The South Indian Bank Limited	240	CRISIL BBB-/Stable
14	Working Capital Demand Loan	Union Bank of India	234	CRISIL BBB-/Stable
	Total		12171	

- Outstanding Loans as on 31-03-2023 and as on 26-05-2023 are as below:

	Name of Bank	Outstanding Bal – 31-03-2023	Outstanding Balance – 26-05- 2023
		Rs. Lacs (rounded off)	Rs. Lacs (rounded off)
1	Andhra Bank	1205	1509
2	HDFC Bank	2256	2190
3	State Bank of India	4252	4495
4	South Indian Bank	1670	1594
5	Daimler Financial Services	44	43
	Total Amounts outstanding	9427	9831



OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on 26th May, 2023.

The Board of Directors of our Company in their meeting conducted on 5th September, 2023 approved this Issue inter-alia on the following terms.

ISSUE SIZE	Amount upto ₹ 761 Lakhs;
ISSUE PRICE	₹ 4.50 per Rights Equity Share, including a premium of ₹3.50 per Rights Equity Share;
ISSUE ENTITLEMENT RATIO	3 Rights Equity Shares for every 26 Equity Shares held by Eligible Shareholders of our Company as on Record Date;
RECORD DATE	23 rd September 2023#

Record Date revised in the meeting of the Rights Issue Committee in compliance with the applicable regulatory.

This Letter of Offer has been approved by the Board of Directors pursuant to their resolutions dated 5th Sep 2023.

Our Company has received in-principle approval from BSE and NSE in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Rights Equity Shares proposed to be allotted pursuant Issue vide a letter dated 25th Aug 2023 and 14th Aug 2023. Our Company will also make application to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;

Our Company has been allotted the ISIN INE474E20011 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company. Our Company has been allotted the ISIN INE474E20011 both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled '**Terms of the Issue**' beginning on page no. 178.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, the Promoters and the members of Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling, or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Company, the Promoters and members of the Promoter Group and the Directors of our Company have not been declared as fugitive economic offenders.

There are no proceedings initiated by SEBI, Stock Exchanges or ROC, etc., against our Company, Directors, Group Companies except as mentioned in this document.

None of our Directors currently holds nor have held directorship(s) in the last 10 (Ten) years in a listed Company whose shares have been or were delisted from trading on any stock exchanges.

Prohibition by RBI:

Our Company, the Promoters and the Directors of our Company have not been identified as willful defaulter or fraudulent borrower by the RBI.

Directors associated with Securities Market

None of our Directors are associated with the securities market in any manner.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018:

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies



(Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 2013. The Equity Shares of our Company are presently listed on BSE and NSE. Our Company is eligible to offer and issue Right Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations.

Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE and NSE for listing of the Rights Equity Shares to be issued pursuant to this Issue.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹ 5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;

Our Company is a listed company and is eligible to make this Rights Issue in terms of Chapter III of SEBI (ICDR) Regulations. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE and NSE for listing of the Rights Equity Shares to be issued pursuant to this Issue;

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Stock Exchange and until date.
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE and NSE.
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders 'Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
4. As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is less than ₹5000.00 Lakhs. The issuer shall prepare the Letter of Offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules,



regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at the date of this Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Ludhiana, India only.

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, SAUDI ARABIA, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue is BSE Limited.

DISCLAIMER CLAUSE OF BSE AND NSE

DISCLAIMER CLAUSE OF THE BSE LIMITED (BSE):

“BSE Limited (“the Exchange”) has given vide its letter dated Ref. No. dated August 25, 2023 permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
2. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company,

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”.



DISCLAIMER CLAUSE OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE):

NSE has given vide its letter Ref. No. NSE/LIST/36199 dated August 14, 2023 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be filed with the Stock Exchanges and will be submitted with SEBI for information and dissemination.

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than ₹ 5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has obtained in-principle approval from the Stock Exchanges.

LISTING

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

CONSENTS

Consents in writing of our Promoter, Directors, Auditors, Banker to the Company, Banker to Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

EXPERT OPINION

Except for the reports in the section '*Financial Information*' and '*Statement of Tax Benefits*' on page no. 69 and 47 respectively from the Statutory Auditors, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the Five (5) years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled '*Stock Market Data for Equity Shares*' on page no. 155.



SELLING RESTRICTIONS

The distribution of this the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges. Accordingly, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements.

Accordingly, persons receiving a copy of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent



to the date of this Letter of Offer or date of such information.

THE CONTENTS OF THIS LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The rights entitlements and the Rights Equity Shares have not been and will not be registered under the United States securities act, 1933, as amended, or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. Persons" (as defined in regulation s under the securities act, except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ or rights entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. **Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations;**
- b. **Appears to us or its agents to have been executed in, electronically transmitted form or dispatched from the United States;**
- c. **Where a registered Indian address is not provided;**
- d. **Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form. The Rights Entitlements may not be transferred or sold to any person in the United States.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.



Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

Name	Designation	Chairman/Member
Vikas Nayyar	Director	Chairman
Surinder Kumar Kapoor	Independent Director	Member
Nitin Bhandari	Chairman and Managing Director	Member

The Investor complaints received by our Company are generally disposed of within seven (7) to fifteen (15) Working days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, Link Intime India Private Limited, for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by Intime India Private Limited, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' on page no. 178.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

COMPANY SECRETARY AND COMPLIANCE OFFICER	REGISTRAR TO THE ISSUE
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Mr. Daljeet Singh Address: Bhandari Hosiery Exports Limited, village Meherban, Rahon Road, Ludhiana Contact Details: 8872016434 E-mail: cs@bhandariexport.com Website: www.bhandariexport.com	Link Intime India Private Limited Address: C-101, 1st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Telephone: +91 810 811 4949 Email: Bhandariexport.rights@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Email: Bhandariexport.rights@linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration Number: INR000004058
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In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.linkinline.co.in. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (Bhandariexport.rights@linkintime.co.in or 8108114949).



SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA facility. For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the Registrar at www.linkintime.co.in.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and NSE and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

A. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

1. Our Company's website at www.bhandariexport.com;
2. Registrar to the Issue's website at www.linkintime.co.in;
3. The Stock Exchanges at www.bseindia.com and www.nseindia.com;

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper, with the same details as mentioned in the Application Form available online.



Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.linkintimeindia.co.in by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), and PAN. The link for the same shall also be available on the website of our Company at www.bhandariexport.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly and Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or redistributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

B. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page no. 192 of this Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" beginning on page no. 180 of this Letter of Offer.



1. Procedure for application through ASBA Facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled '**Procedure for Application through the ASBA Process**' on page no. 192.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "Grounds for Technical Rejection" beginning on page 202 of this Letter of Offer.

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '**Application on Plain Paper under ASBA Process**' on Page No. 198.

2. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a) The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and
- b) A demat suspense escrow account (namely, '*Bhandari Hosiery Exports Limited - Rights Entitlement Suspense Account*') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - iv. Credit of the Rights Entitlements returned/ reversed / failed; or
 - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable; or



- vi. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; or
- vii. Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Shareholders whose Rights Entitlements are credited in demat suspense escrow account opened by our Company as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by 09th October, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date i.e., by 12th October, 2023, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.linkinline.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least three Working Days prior to the Issue Closing Date i.e. by 09th October, 2023 shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.bhandariexport.com)

3. Application by Eligible Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a) The Eligible Equity Shareholders are residents;
- b) The Eligible Equity Shareholders are not making payment from non-resident account;
- c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d) The Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.



Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

4. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in '**Basis of Allotment**' beginning on page no. 205.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled '**Procedure for Application through the ASBA Process**' on page no. 192 and 198.

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in;
2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: Bhandarirightsissue@linkintime.co.in;
3. Updating of demat account details by Eligible Equity Shareholders holding shares in physical form: Bhandarirightsissue@linkintime.co.in;
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders www.linkintime.co.in;

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

The Issue has been authorized by resolutions of Board of Directors of our Company passed at their meetings held on 26th May, 2023 and on 5th September, 2023, in accordance with the provisions of Section 62(1)(a) of the Companies Act. Last meeting of the Rights Issue Committee revised the Record Date to the present Record Date to remain compliant with the applicable regulatory.

The Board of Directors, in its meeting held on 5th September, 2023, has determined the Issue Price at ₹ 4.50 per Equity Share and the Rights Entitlement as 3 Rights Equity Share for every 26 Equity Shares held on the Record Date.



BASIS FOR THIS ISSUE

The Rights Equity Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date.

RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.linkintime.co.in by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on our Company's website at, www.bhandariexport.com.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the website of BSE and NSE. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer filed with BSE and NSE and the Letter of Offer to be filed with SEBI, BSE and NSE. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those



circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Rights Equity Shares will be having face value of ₹ 1 /- (Rupee One Only).

2. Issue Price

Each Rights Equity Share is being offered at a price of ₹ 4.50 (Rupees Four and paise fifty Only) per Rights Equity Shares (including a premium of ₹ 3.50 (Rupees Three and paise fifty Only) per Rights Equity Shares) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company and has been decided prior to the determination of the Record Date i.e. 23rd September, 2023.

3. Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of 3 (Three) Rights Equity Share for every 26 Equity Shares held by the Eligible Shareholders as on the Record Date i.e. 23rd September, 2023 .

4. Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

5. Terms of Payment

Amount Payable Per Right Equity Share	Face Value	Premium	Amount
On Application	₹ 1/-	₹ 3.50/-	₹ 4.50/-

Each Rights Equity Shares is being offered at a price of ₹ 4.50 per Rights Equity Shares (including a premium of ₹ 3.50 per Rights Equity Shares), for every one Rights Equity Share allotted in this Issue.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.



6. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholder being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the BSE and NSE or through an off-market transfer. For details, see '**Procedure for Renunciation of Rights Entitlements**' on page no. 193.

In accordance with SEBI Right Issue circulars the Eligible Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

7. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b. A demat suspense escrow account (namely, '*Bhandari Hosiery Exports Limited - Rights Entitlement Suspense Account*') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - iv. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar;
 - v. Credit of the Rights Entitlements returned/ reversed / failed; or
 - vi. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.
 - vii. Eligible Equity Shareholders who have not provided their Indian addresses.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE474E20011. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 3 (Three) Working Days prior to the Issue Closing Date, i.e. by 09th October, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, i.e. by 13th October, 2023 to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure



that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the BSE and NSE after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.linkintime.co.in). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED '*Procedure for Application through the ASBA Process*' ON PAGE NO. 192.

8. Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 3 Rights Equity Share(s) for every 26 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (nine) Equity Share(s) or not in the multiple of 9, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds 9 (Nine) Equity Shares, such Shareholder will be entitled to 1 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 9 Equity Shares shall have 'Zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of 1 (One) additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favor of third parties and the application forms shall be non-negotiable.

9. Ranking of Equity Shares

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Rights Equity Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Trading of the Rights Entitlements



In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE and NSE under ISIN INE474E20011. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE and NSE for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the BSE and NSE on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from 03rd October 2023 to 09th October 2023 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see '*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*' and '*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*' on page no. 193.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

11. Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE vide letter dated 25th August, 2023 and NSE vide letter dated 14th August 2023. Our Company will apply to the BSE and NSE for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The Rights Equity Shares shall be listed and admitted for trading on the BSE and NSE under separate ISINs for Rights Equity Shares. The procedures for listing and trading of Rights Equity Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE and NSE bearing Scrip Code '**512608**' and '**BHANDARI**' respectively under ISIN **INE474E01029**. The Rights Equity Shares shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the BSE and NSE, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within 4 (Four) days of receipt of intimation from the BSE and NSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.



12. Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '*Intention and extent of participation by our Promoter and Promoter Group*' under the section titled '*Capital Structure*' on page no. 39.

13. Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- a. The Rights Equity Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Rights Equity Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

1. Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is 1 (One) Equity Share.

2. Minimum Subscription

Provisions of SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, with respect to achieving minimum subscription for the Rights Issue apply to us as the Objects of the issue involves amount to be incurred in capital expenditure for the Expansion Project. Minimum Subscription in our case is the Issue Amount.

3. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

4. Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.



5. Arrangements for Disposal of Odd Lots

The Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.

6. Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

7. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Rights Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on www.linkintime.co.in or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address



of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the BSE and NSE. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as '**OCBs**') have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Shareholders can update their Indian address in the records maintained by the Registrar through email at www.linkintime.co.in and our Company through email at www.bhandariexport.com by submitting their respective copies of self-attested proof of address, passport, etc.



PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. 23rd September, 2023, see '*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*' on page no. 198.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- a. E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- b. Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- c. Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- d. E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.linkintime.co.in. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

1. Our Company's website at www.bhandariexport.com;
2. Registrar to the Issue's website at www.linkintime.co.in;
3. The Stock Exchange website at www.bseindia.com and www.nseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.linkintime.co.in by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.bhandariexport.com.

The Application Form can be used by the Eligible Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this



Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by:

- a. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
- b. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 202. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an Application that is available on the website of the Registrar, BSE and NSE or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page no. 191.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.



Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE, and **Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '**Application on Plain Paper under ASBA process**' on page 195.

ADDITIONAL RIGHTS EQUITY SHARES

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchanges and in the manner prescribed under the section titled "Terms of the Issue" on page 178. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '**Basis of Allotment**' on page no. 205.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the BSE and NSE; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES,



AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

1. On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the BSE and NSE through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the BSE and NSE under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the BSE and NSE from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from 03rd October, 2023 to 09th October, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE474E20011 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the BSE, NSE and the SEBI.

2. Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE474E20011 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.



The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

APPLICATION ON PLAIN PAPER

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being '***Bhandari Hosiery Exports Limited***';
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Registered Folio No./DP and Client ID No.;
- iv. Number of Equity Shares held as on Record Date;
- v. Allotment option – only dematerialized form;
- vi. Number of Rights Equity Shares entitled to;
- vii. Total number of Rights Equity Shares applied for;
- viii. Number of additional Rights Equity Shares applied for, if any;
- ix. Total number of Rights Equity Shares applied for;
- x. Total amount paid at the rate of ₹ 4.50 per share for Rights Equity Share issued in one Rights Entitlement;
- xi. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- xii. In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- xiii. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;



- xiv. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. In addition, all such Eligible Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as '**Regulation S**'), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements." In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

I/ We acknowledge that the Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date."

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility.

The Registrar will not accept any payments against the Application Forms if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into



the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Instructions issued in this regard by the Registrar to the respective SCSB.

1. Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

- a. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company;

Note: In case of non-resident Eligible Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Shareholders at (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

- b. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;
- c. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

Notes

- i. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- ii. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India;
- iii. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;



- iv. Application Forms received from non-residents/NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- v. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- vi. Non-resident Renounces who are not Eligible Shareholders must submit regulatory approval for applying for additional Rights Equity Shares;

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bhandariexport.com or www.linkintime.co.in.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 (Two) Working Days prior to the Issue Closing Date;
- b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One) day before the Issue Closing Date;
- c. The Eligible Equity Shareholders can access the Application Form from:
 - 1. Our Company's website at www.bhandariexport.com;
 - 2. Registrar to the Issue's website at www.linkintime.co.in;
 - 3. The Stock Exchange website at www.bseindia.com and www.nseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.linkintime.co.in by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at, www.bhandariexport.com.

- d. The Eligible Equity Shareholders shall, on or before the Issue Closing Date (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.



Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE 'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS' ON PAGE NO. 205.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renounees;
4. Application should be made only through the ASBA facility.
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA processes on page no. 198;
7. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE;
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;



11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form;
13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012' within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do's:

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;



2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

Don'ts for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;



2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

GROUND FOR TECHNICAL REJECTION

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Shares under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form



may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form;

16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, and Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made by a Mutual Fund in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '**Procedure for Applications by Mutual Funds**' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.



In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of the Promoter under the terms of the issue for the purpose of achieving the Minimum Subscription in case of under subscription.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is 13th October 2023 Issue Closing Date. Our Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the BSE, NSE and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our committee, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Rights Issue Committee shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, **'Basis of Allotment'** on page no. 205.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

ISSUE SCHEDULE

Last Date for credit of Rights Entitlements	Wednesday – September 27, 2023
Issue Opening Date	Tuesday – October 03, 2023
Last Date for On Market Renunciation of Rights Entitlements[#]	Monday – October 09, 2023
Issue Closing Date*	Friday – October 13, 2023
Finalization of Basis of Allotment (on or about)	Thursday – October 19, 2023
Date of Allotment (on or about)	Friday – October 20, 2023
Date of credit (on or about)	Monday – October 23, 2023
Date of listing (on or about)	Thursday – October 26, 2023

**Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*



Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by 09th October, 2023, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date i.e. by 12th October, 2023.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Shares each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (1) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- a. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- b. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any,



within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as “**NACH**”) – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as “**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investor’s bank has been assigned the Indian Financial System Code (hereinafter referred to as IFSC Code’), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.



7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO:

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR
2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR TO THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR
3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/FAILED.

INVESTORS SHALL BE ALLOTTED THE RIGHTS EQUITY SHARES IN DEMATERIALIZED (ELECTRONIC) FORM.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE BSE AND NSE ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.



6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the person(s) to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

2. Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.



3. Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

4. Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5. Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.



PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 4 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE and NSE, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 4 (Four) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants;
6. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
7. Adequate arrangements shall be made to collect all ASBA applications;
8. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time;
9. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

1. All monies received out of issue of this Right Equity Issue shall be transferred to a separate bank account.
2. Details of all monies utilized out of this Right Issue referred to in clause (1) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and



- Details of all unutilized monies out of this Right Issue referred to in clause (1) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

IMPORTANT

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed, otherwise the Application is liable to be rejected.
- All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**BHANDARI HOSIERY EXPORTS LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Link Intime India Private Limited

Address: C-101, 1st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India

Tel No.: +91 810 811 4949

Email: Bhandariexport.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: Bhandariexport.rights@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration No.: INR000004058

Validity of Registration: Permanent

- In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 8108114949.
- This Issue will remain open for a minimum 7 (Seven) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).
- The intimation dated 11.09.2023 made to stock exchanges the Schedule of upcoming rights issue was informed to the stock exchanges as issue opening date Saturday 30th September 2023 and closing date was 10th October 2023 respectively. Now after deliberation made with BSE Limited and National Stock Exchange of India Limited in the meeting held on 26.09.2023 of the Project Monitoring Committee/ Right Issue committee, it was decided to revise the schedule of upcoming rights issue as follows to comply with the trading schedule of the stock exchanges:

Issue Opening Date (Revised)	Tuesday 03 rd October, 2023
Last date for On Market Renunciation of the Rights Entitlements (REs)*	Wednesday 11 th October, 2023
Issue Closing Date# (Revised)	Friday 13 th October, 2023

- The intimation dated 26.09.2023 made to stock exchanges the Schedule of upcoming rights issue was informed to the stock exchanges as last date for On market Renunciation of the Rights Entitlement as Wednesday 11th October, 2023. Now after deliberation made with BSE Limited and National Stock Exchange of India Limited in the meeting held on 29.09.2023 of the Project Monitoring Committee/ Right Issue committee, it was decided to revise the Last date for On market Renunciation of Rights Entitlements as Monday 09th 2023 to comply with the trading schedule of the stock exchanges:

Issue Opening Date (Revised)	Tuesday 03 rd October, 2023
Last date for On Market Renunciation of the Rights Entitlements (REs)*	Monday 09 th October, 2023
Issue Closing Date# (Revised)	Friday 13 th October, 2023



RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion). Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (**'FDI Circular 2020'**), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, (as amended from time to time) issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.



The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



SECTION X – OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed /failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 A.M. and 5 P.M. on all working days from the date of filing of the Letter of Offer until the Issue Closing Date. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at www.bhandariexport.com from the date of this Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated 31st May, 2023.
2. Bankers to the Issue Agreement amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).
3. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
4. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of Incorporation of our Company;
3. Copies of Audited Financial Statement and the Annual Report of our Company for the last 3 (Three) Financial Years for the Financial Year ending March 31, 2023, March 31, 2022 and March 31, 2021;
4. Resolution of our Board of Directors dated May 26, 2023 approving the Rights Issue;
5. Resolution of the Board dated 5th September 2023, approving the Letter of Offer and finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio; last meeting of the Rights Issue Committee revised the Record Date to the present Record Date.
6. Consents of our Directors, Bankers to our Company, Bankers to the Issue, Legal Advisor and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
7. Report on Statement of Special Tax Benefits dated 25th May, 2023 for our Company from the Statutory Auditors of our Company;
8. Undertaking of the Company issued to BSE with respect to applicability of Minimum Subscription.

9. In-principle approval issued by BSE vide letter dated 25th August 2023 and NSE vide letter dated 14th August 2023;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- _____ Mr. Nitin Bhandari Chairman & Managing Director	Sd/- _____ Mr. Surinder Kumar Kapoor Independent Director
Sd/- _____ Mr. Vikas Nayar Director	Sd/- _____ Mr. Rajesh Kumar Director
Sd/- _____ Ms. Alka Gambhir Independent Director	Sd/- _____ Ms. Komal Bhalla Independent Director
Sd/- _____ Ms. Misha Malhotra Chief Financial Officer	

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY

Sd/-

Mr. Daljeet Singh
Company Secretary & Compliance Officer

Place: Ludhiana

Date: 5th September, 2023