

Bhandari Hosiery Exports Limited

18th Annual Report

2010-11

(A W.R.A.P., BSCI and C-TPAT Certified Company)





Bhandari Hosiery
Caring for Everything
Much More Than Just Fashion



Dear Shareholders,



I have great pleasure in presenting the Eighteenth Annual Report and Audited Financial Statements for the financial year ended 31st March 2011. The year 2010-11 was a year of global recovery from financial crisis. The global economy is on the path to growth supported by recovery in the international and domestic financial flows and higher commodity prices. The spare capacity in developing countries during the crisis has been reabsorbed triggering the economic growth. However, the Indian Economy registered improved growth and was amongst the better performers amid emerging market economies. Notwithstanding signs of recovery from the previous financial crisis, the textile and apparel industry went through a tough year struggling with the surging and fluctuating prices of raw materials. However, the Government is making efforts in boosting the textile industry through various initiatives and investments are increasing steadily. The Ministry of Textiles has sanctioned a total of US\$ 133 million under Technology Upgradation Fund Schemes (TUFS) during September 2010.

The industry is expected to continue to grow at a significant rate in the future, as it is fuelled by a strong international and domestic consumption. The Indian economy grew by 8.6% in 2010-11 as against a growth of 7.4% during 2009-10. It is further estimated that its growth would further go upto 9% during 2011-12. During 2010-11, the country's apparel exports increased 4.4 per cent to \$11.1 billion against \$10.7 billion in the previous fiscal.

The US and EU account for about 80 per cent of the country's total apparel exports. The government is focusing on initiatives for promotion of apparel exports.

Despite surging and fluctuating prices of cotton, other raw materials and inflation, your Company recorded a satisfactory performance. During the year 2010-11, your Company was able to achieve an increased turnover of Rs. 9194.13 Lacs as against Rs. 8689.09 Lacs in the year 2009-10, thus registering an increase of around 5.81%. The Profits after Tax of the Company for the year ended 31.03.2011 has been Rs. 114.56 Lacs as against Rs. 111.12 Lacs in the previous year thus showing an increase of around 3.10% over the previous year Net Profits after tax. The Exports of the Company for the financial year ended 31.03.2011, however decreased and the exports were to the tune of Rs. 2819.26 Lacs for the financial year ended 31.03.2011 as against Rs. 3456.44 Lacs (regrouped figures) in the previous year showing a decrease of 18.43% over the previous. Whereas the global slow down of the economies hit the garments, the Company was still able to bear its effects and registered satisfactory performance in terms of total turnover of the Company.

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

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

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

Warm Regards

Sd/-
NITIN BHANDARI
CHAIRMAN & MG. DIRECTOR



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

Board of Directors

SR.	NAME	DIN	DESIGNATION
1	Shri Nitin Bhandari	01385065	Chairman & Mg. Director
2	Sh. R.C. Singal	00739667	Director
3	Sh. M.M. Sikka	01194696	Director
4	Sh. Ashish Thapar	00077281	Director
5	Sh. Vikas Nayyar	00071047	Director

COMPANY SECRETARY

Mr. Gurinder Makkar

AUDITORS

M/S Vipin Kumar Aggarwal & Co.
K-206, Kismat Complex,
Ludhiana- 141003 (Punjab)

BANKERS

State Bank Of India
Pahwa Hospital Branch, Ludhiana

REGISTERED OFFICE & WORKS

Bhandari House, Village Meharban,
Rahon Road, Ludhiana- 141007
(Punjab) India
Phones: +91-161-3260742-44
Fax: +91-161-2690394
EMAIL: bhandari@bhandariexport.com

WEBSITE:

www.bhandariexport.com

REGISTRAR & SHARE TRANSFER AGENTS

M/S Link Intime India Pvt. Ltd.
A-40, 2 Floor , Naraina Industrial
Area, Phase Ii, Near Batra Banquet
Hall, New Delhi- 110028
Phones: 011- 41410592-94
Fax: 011- 41410591
EMAIL: :- delhi@linkintime.co.in

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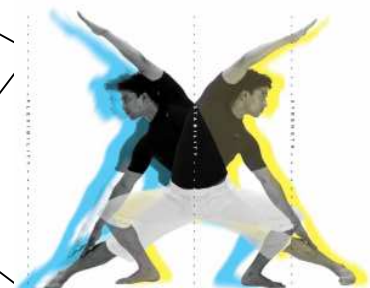
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At Bhandari Hosiery, We take care of Trends Styles Comforts



Much More than just Fashion



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Bhandari Hosiery at a Glance

Bhandari Hosiery Exports Limited is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 18 years experience and state of the art manufacturing facilities, Bhandari Hosiery manufactures garments for leading international and overseas brands and some overseas retail chains. In the international market, we have a presence in around 18 countries including quality conscious markets like USA, Canada, UK and the European Union.

The Company's Unit is spread in an area of around 30000 Sq. Meters with constructed area approximating 35% of the Total Area. The Company has all in house facilities from yarn and knitting to final finishing and packing. The Company has the requisite state of the art infrastructural facilities to produce high end fashion garments.

The Company is engaged primarily in the manufacture and export of knitted hosiery garments such as T-Shirts, Pull Overs, Sweat Shirts, Bermudas, Polo shirts, Track Suits, Payjamas, Lowers, ladies knitted tops with embroidery, and prints etc..

Our products are targeted towards trendy fashion oriented line for both sex of the upper middle class segment. Our garments are exported to many of the European and North American Countries. We conform to International standards in Human Resource Practices and adopt Eco- friendly standards in production.

Bhandari Hosiery aims to be the best knitted garment manufacturing and exporting Company. We continuously incorporate the latest technological advances in manufacturing processes to ensure that our esteemed customers receive top-of-line quality products. Our objective is to be the pioneer in implementing new manufacturing technologies, which translate into an even superior product for our customers.

Frequent changes in fashion trends make it imperative for suppliers to deliver newer styles quickly to their customers. Understanding the need for timely delivery we always aim to provide our customers an efficient and satisfying service.

Bhandari Products have met the international quality standards and are being exported to the competitive markets in Europe, U.S.A and Australia. Some of our esteemed clients are Charles Vogle, Adler, Arcadia, MGL Metro, Metro Cash, Cortefiel Commercial S.A., B.J.D. INC., Galeria Kaufhof, The Fielding Group, BHS Ltd., Kitano etc.

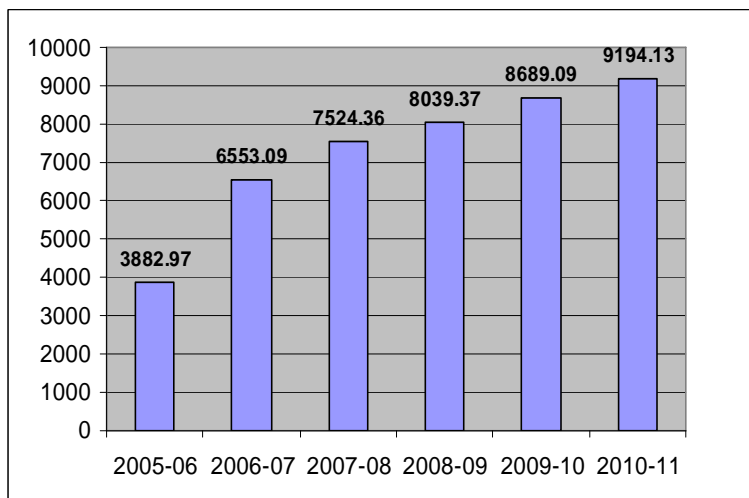




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FINANCIAL HIGHLIGHTS



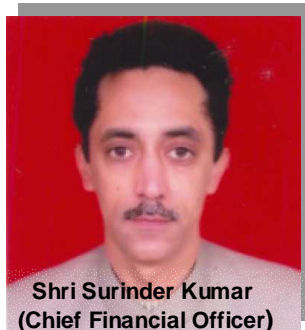
TURNOVER GRAPH OF THE COMPANY (RS. IN LACS)

- The Turnover of the Company has been Rs. 9194.13 Lacs as against Rs. 8689.09 Lacs in the year 2009-10, thus registering an increase of around 5.81%.
- The Profits after Tax of the Company for the year ended 31.03.2011 has been Rs. 114.56 Lacs as against Rs. 111.12 Lacs in the previous year thus showing an increase of around 3.10% over the previous year.
- Exports of the Company however were of Rs. 2819.26 Lacs for the financial year ended 31.03.2011 as against Rs. 3456.44 Lacs (regrouped figures) in the previous year showing a decrease of 18.43% over the previous.

NOTE : CURRENCY CONVERSION

Please note that the financial figures in this Annual report are given as Rupees (Rs.) in Lacs or in absolute figures of Rupees. Rs. 1 Lac= Rs. 0.10 Million. Figures can be accordingly read in Rs. Lacs or converted into Millions by the Reader)

FROM THE DESKS OF CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY



Shri Surinder Kumar
(Chief Financial Officer)

Dear Shareholders

At the outset, we feel pleasure in presenting you, the 18th Annual Report of the Company. The year 2010-11 proved to be year of recovery from global financial crisis. Though to a large extent, India remained insulated from the impact of global financial crisis and was a better performer amid emerging market economies, yet the impact of inflation and rise in prices of raw materials required for the garments industry especially the cotton and yarn prices, put the industry in a losing situation vis a vis its competing countries. In the background of the above adverse business environment, the performance of our Company is considered satisfactory.

Although the growth momentum of the Indian economy was impacted with the onset of the global economic slowdown, the severity of the impact was considerably less when compared to most developed economies.

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

Despite all thick and thins prevailing in India and globally, the Company was able to show a satisfactory performance in terms of improved sales and profitability as compared to previous year. The Company is well poised and geared to avail of the opportunities in view of the coming good times of Indian Textile Industry.

Wishing an eventful and prosperous year ahead

Regards

Sd/-

Surinder Kumar
(Chief Financial Officer)

Sd/-

Gurinder Makkar
(Company Secretary)

"Bhandari Hosiery"
We Care for the
Trends





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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Monday, the 26th day of September, 2011 at 9.00 A.M. at the Registered Office of the Company at Bhandari House, Village Mehraban, Rahon Road, Ludhiana-141007 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Vikas Nayar, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the Year 2011-12 and to fix their remuneration.

SPECIAL BUSINESS

4. TO CONSIDER, AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) read with Director's Relatives (Office or Place of Profit) Rules, 2011 and all other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby given to the appointment of Ms. Aditi Bhandari, to hold an Office or Place of Profit as 'Vice President- Marketing', w.e.f. 01.09.2011 at a consolidated salary of Rs. 70000/- (Rs. Seventy Thousand) Per Month on terms and conditions as set out in the Explanatory Statement attached to this Notice, to discharge such duties as may be assigned to her in that capacity .

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend and decide remuneration from time to time within the limits as set out in the Explanatory Statement, subject to compliance with the applicable provisions of the Companies Act, 1956 and necessary approvals as may be necessary.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, amend and decide about the terms, designation and conditions for employment from time to time, as they may think fit, as per the requirements of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors and generally to do all acts, deeds and steps that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

5. TO CONSIDER, AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 (hereinafter referred to as “the Act”) and other applicable provisions of the Act, if any, and subject to the provisions of the Memorandum & Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable regulations and guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Foreign Exchange Management Act, 1999, and other applicable provisions, if any, and subject to such consents and approvals as may be required and subject further to such conditions and modifications as may be prescribed in granting such consents, approvals and subject to such conditions as may be imposed by the SEBI, the Reserve Bank of India (“RBI”), Government of India (“GOI”), or any other relevant authority and clarifications thereon issued from time to time, if any, and subject to all such statutory, regulatory and government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of



them while granting such approvals, permissions or sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution); the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, equity shares, warrants, debentures, bonds, instrument which are fully or partly convertible into Equity Shares, warrants or any other instruments whether in Indian Rupee or any foreign currency (hereinafter collectively referred to as "Securities"), secured or unsecured, to any person, whether or not the Members of the Company, including the Promoters of the Company, their Friends, Relatives and Associates, Business Associates, Employees (including Directors and Workers) of the Company and its Group Companies, Corporate Bodies, Mutual Funds, Financial Institutions, Banks, Foreign Institutional Investors, Qualified Institutional Buyers ("QIB") Non-Resident Indians, Foreign Nationals, Insurance Companies, Pension Funds, Portfolio Managers etc., by way of public issue and / or private placement(s) and / or qualified institutional placement ("QIP") and / or further public offering ("FPO") and / or any other permitted modes and/or issue of Foreign Currency Convertible Bonds (FCCB), Global Depository Receipts (GDR), American Depository Receipts (ADR), reservation on competitive basis or firm allotment basis, private placement, rights, preferential allotment basis or a combination thereof at such price or prices so that the total amount raised through the aforesaid Securities should not exceed **Rs. 60 Crores** including premium, to all or any of them, jointly or severally through a prospectus, offer document and/or other letter or circular ("Offer Document") and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in its absolute discretion think fit, in consultation with the Lead Managers, Advisors and/or such other persons and on such terms and conditions including the ratio in which such Securities may be offered, issued and allotted to the existing shareholders, the numbers of Securities to be issued, face value of the Securities, rate of interest, premium, number of equity shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and/or warrants and/or any other financial instruments, period of conversion, fixing of record date or book closure and other related or incidental matters.

RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs/ ADRs/FCCBs/FCEBs/other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank *pari passu* with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars."

RESOLVED FURTHER THAT in the case of a Public Issue or Rights issue of the equity shares of the Company and in the event the persons in control have to subscribe to the unsubscribed portion of the Equity Shares out of the above Issue, then the same shall be done in compliance of the applicable Regulation(s) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s) including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and is hereby authorised to fix differential pricing on different modes of issue.

RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s)/ MOUs/placement agreement(s)/underwriting agreement(s)/ deposit agreement(s)/ trust deed(s)/subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager (s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be



required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities in one or more Indian/ international stock exchanges, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/documents(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board and the Committee thereof be and is hereby authorised on behalf of the Company to do all or any of such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose including but without limitation to enter into under-writing, marketing, depository, custodian and any other arrangements or agreements and to remunerate all other agencies by way of commission , Brokerage, fees or the like and to settle such questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its discretion deem fit.

RESOLVED FURTHER THAT in case of any over subscription of the issue, the Board be and is hereby authorised to retain such of the amount and issue and allot Securities, as may be permitted in accordance with applicable laws, rules and provisions in consultation with the Stock Exchange.

RESOLVED FURTHER THAT the Board be entitled to vary, modify, alter any of the foregoing terms and conditions to conform with those as may be approved by SEBI, RBI or any other appropriate authorities and department.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all things necessary for the purpose of giving effect to the issue and allotment of said Securities/Equity Shares and to take such action or give such directions as may be necessary or desirable and to accept any modifications in the proposal and terms of the issue including the price of the Equity Shares to be so issued or to be issued against or conversion of such Securities or the ratio or number in which the New Equity Shares or Securities are to be offered which may result in a change in the total amount of the issue as may be considered necessary by the Board or as may be prescribed in granting approvals to the issue and which may be acceptable to the Board and to decide the Basis of Allotment and to settle any question that may arise in regard to the issue and allotment of new equity shares or securities or on conversion of the said securities into shares or on issue of shares against such securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the ICDR Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the ICDR Regulations shall only be to Qualified Institutional Buyers (QIBs) as defined in the ICDR Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of passing of this resolution, approving the proposed issue or such other time as may be allowed by ICDR Regulations from time to time and the Company shall apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the ICDR Regulations.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/GDRs/ ADRs/FCCBs/FCEBs or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT the Board and other designated officers of the Company, be and are hereby severally authorised to make all filings including as regards the requisite listing application/prospectus/offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and



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of any other relevant documents with the stock exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary."

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary actions to give effect to this resolution and to delegate to a Committee of Directors or any one of the Director, all or any of its powers and authorities vested in it in terms of this resolution as may be permitted by law."

For & On behalf of the Board

Place : Ludhiana
Dated : 27.08.2011

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 22nd September, 2011 to Monday, the 26th September, 2011 (both days inclusive)
3. The Members are requested to notify the changes, if any, in their registered addresses, at the earliest and may also intimate their E-mail address(es), if any, to the Company.
4. Members desiring any information as regards the accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep information ready.
5. The copies of the relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
6. The members are requested to bring their copy of Annual Report alongwith attendance slip with them to the Annual General Meeting. Members, who hold the shares in dematerialized form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the Meeting
7. Members may please note that "NO GIFTS" will be distributed at the Meeting.
8. Pursuant to provisions of Section 205A (5) of the Companies Act, 1956, dividends which remained unclaimed / unencashed for a period of 7 years are required to be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Act. Therefore, shareholders who have not encashed their dividend for the financial year 2006-07, should lodge their request for the same to the RTA or the Company.
9. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode, allowing to send Notices/documents such as Notice convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. and any other notice/documents, henceforth in electronic form in lieu of the paper form. In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered Email ID. However, if you hold the shares in physical form, then you may register your E-mail ID with Registrar & Transfer Agent of the Company by sending a letter under your Registered Signature at the below mentioned address.

LINK INTIME INDIA PVT. LTD.,

**A-40, 2nd Floor, Naraina Industrial Area,
Phase -II, Near Batra Banquet Hall,**

New Delhi- 110028, Phones: 011- 41410592-94, Fax: 011- 41410591

EMAIL: :- delhi@linkintime.co.in ; rajan.pk@linkintime.co.in



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS:

***For Item No. 4 of the Special Business:**

Ms. Aditi Bhandari, aged about 28 years is a Bachelors in Business Administration (BBA) and Master in Management and Information systems .She has the specialization in Management (marketing and finance). She has the experience and exposure of more than seven years in merchandising, marketing, finance and costing functions of spinning and garments industry. She is versatile enough to handle efficiently the marketing and merchandising functions of a garment unit.

The Board of Directors, considering the experience, qualification and versatility of Ms. Aditi Bhandari, appointed her, subject to the approval of Shareholders at the Annual General Meeting, as the Vice President- Marketing at a consolidated monthly salary of Rs. 70000/- (Rs. Seventy Thousand) Per Month, w.e.f. 01.09.2011.

She shall be responsible to discharge the duties of Vice President- Marketing of the Company initially or with such designation as the Board of Directors of the Company may, from time to time, decide. The appointment shall be subject to termination by one month advance notice in writing on either side. All other terms and conditions of appointment as are applicable to other whole time key employees of the Company are also applicable to her .

As Ms. Aditi Bhandari is a relative of Shri Nitin Bhandari, Chairman & Mg. Director of the Company, her appointment is subject to the approval of the Shareholders by way of Special Resolution at Annual General Meeting. As per provisions of Section 314 (1) and (1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011, when Company proposes to pay to any relative of a Director, a monthly remuneration upto Rs. 2,50,000/-, approval of shareholders by way of special resolution is required.

Accordingly Resolution/Item No. 4 is put up before the Members as a Special Resolution , for their consideration and approval.

MEMORANDUM OF INTEREST

Except Mr. Nitin Bhandari, Mg. Director, being relative of the appointee, none of the other Directors is concerned or interested in the Special Resolutions at Item No. 4 of Special Business .

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

The Company has various plans to enter into domestic retail garments segments on a higher level by opening of new showrooms at various locations in India. The Company also proposes to make expansions in its dyeing and stitching capacities in the times to come. The Company's Projects are proposed to be funded through issue of Equity and if needed, through a combination of Equity and Debt. The Company would offer a variety of knitted hosiery readymade garments by the opening of retails outlets and/or sophisticated showrooms and may also come up with online shops systems. Thus Funds raised by issue of securities are proposed to be utilized in the expansion and normal business activities of the Company.

The detailed terms and conditions of the issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of law.

The proposed issue of securities as above may be made in one or more tranches, in domestic/ International market in Indian rupee or one or more foreign currency, by way of public issue, right issue, Qualified Institutional Placement (QIP), issue of foreign currency convertible bonds, Global Depository Receipts, American Depository Receipt etc. as may be decided by the Board. The issue price and other terms and conditions of security to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the prevailing market conditions and the applicable rules & regulations.



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In terms of the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable provisions approval of the Members by way of special resolution is required for the proposed resolution. The Board recommends the said resolutions for Members' approval by way of Special Resolution.

None of the Directors of the Company is in any way, concerned or interested in the resolution, except to the extent of any security(ies) standing in their names.

For & On behalf of the Board

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

**Place : Ludhiana
Dated : 27.08.2011**

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

NAME OF DIRECTOR	Sh. Vikas Nayyar
DATE OF BIRTH	11.10.1973
DATE OF APPOINTMENT	29.10.2004
QUALIFICATION	Graduation
DIRECTORSHIP IN OTHER PUBLIC COMPANIES	NIL
CHAIRMANSHIP/MEMBERSHIP OF BOARD/COMMITTEE OF OTHER PUBLIC LISTED COMPANIES	NIL
EXPERTISE	Mr.Vikas Nayyar has the exposure and experience of around 10 years of Knitting, Hosiery and Embroidery business, fund planning and resources maintenance. He has developed vast experience in the fields of merchandising, optimizing costing and reducing wastage, Retailing, Domestic Markets and contributed a lot to the growth of the company.
RELATIONSHIP WITH OTHER DIRECTORS	He is not related to any other Director of the Company as per Section 6 of the Companies Act, 1956.
NO. OF SHARES HELD IN THE COMPANY	NIL



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

DIRECTORS' REPORT

To

The Members,

BHANDARI HOSIERY EXPORTS LIMITED

Your Directors have pleasure in presenting their 18th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

(RS. IN LACS)

PARTICULARS	2010-11	2009-10
Turnover	9194.13	8689.09
GROSS PROFIT before interest depreciation and tax	503.60	482.70
Less: Financial expenses	246.18	228.17
Less: Depreciation and preliminary exp. written off	82.77	82.37
PROFIT BEFORE TAX	174.65	172.16
Less: Provision for tax	60.09	61.04
PROFIT AFTER TAX	114.56	111.12
Add: Balance brought forward	701.17	656.96
Amount available for appropriation(s)	815.73	768.08
Sale of investments written off in year 2003-04	23.80	-
Excess Provision of Income Tax Written Back	2.65	-
Balances written off net	-	0.16
Provision for Bad and Doubtful Debts, Unrecoverable Receivables &	-	66.75
Balance carried to Balance Sheet	842.18	701.17

PERFORMANCE REVIEW

Despite surging and fluctuating prices of cotton and other raw materials, your Company recorded a satisfactory performance. During the year 2010-11, your Company was able to achieve an increased turnover of Rs. 9194.13 Lacs as against Rs. 8689.09 Lacs in the year 2009-10, thus registering an increase of around 5.81%. The Profits after Tax of the Company for the year ended 31.03.2011 has been Rs. 114.56 Lacs as against Rs. 111.12 Lacs in the previous year thus showing an increase of around 3.10% over the previous year.

EXPORTS

The exports of the Company registered a decline for financial year ended 31.03.2011 due to global financial crisis effect and the effect triggered by rise in cotton prices. The exports of the Company were to the tune of Rs. 2819.26 Lacs for the financial year ended 31.03.2011 as against Rs. 3456.44 Lacs (regrouped figures) in the previous year showing a decrease of 18.43%. Whereas the global financial crisis and prices of cotton and other raw materials hit the garments industry, the Company was still able to bear its effects and recorded satisfactory performance in terms of turnover and profitability of the Company for the year 2010-11.

OVERVIEW OF TEXTILE INDUSTRY AND EXPORTS

The Textile industry is one of the largest and most important sectors in the Indian economy in terms of output, foreign exchange earnings and employment. India's Textile industry is one of the leading textile industries in the world. It contributes approximately 14% to India's industrial production, 4% to the GDP and 17% to the country's export earnings. It provides direct employment to over 35 million people and is the second largest provider of employment after the agricultural sector. The industry is expected to grow steadily from its present US\$ 70 billion to US\$ 110 billion by 2015.



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The Ministry of Textiles has sanctioned a total of US\$ 133 million under Technology Upgradation Fund Schemes (TUFS) during September 2010. The industry is expected to continue to grow at a significant rate in the future, as it is fuelled by a strong domestic consumption. The Indian economy grew by 8.6% in 2010-11 as against a growth of 7.4% during 2009-10. It is further estimated that its growth would further go upto 9% during 2011-12. During 2010-11, the country's apparel exports increased 4.4 per cent to \$11.1 billion against \$10.7 billion in the previous fiscal.

Notwithstanding signs of recovery from the previous financial crisis, the textile and apparel industry went through a tough year struggling with the surging and fluctuating prices of raw materials. However, the Government is making efforts in boosting the textile industry through various initiatives and investments are increasing steadily.

DIVIDEND

Your Directors do not recommend any dividend due to plough back of funds for normal capital expenditure to enable it to effectively compete in the global markets.

SHARE CAPITAL/ BONUS ISSUE

There were no fresh Public/ Rights / Preferential issues of Shares or convertible instruments during the period under review. The Board of Directors of the company in its Meeting held on 30.04.2010 has Withdrawn/cancelled, in view of the changed scenario and changed working capital requirements, the proposal to make a Rights issue of 2609495 equity shares of Rs. 10/- each for which no Draft Letter of Offer was filed with SEBI.

However there was a Bonus Issue of Equity shares of the Company during the period under review. Pursuant to the approval of Members of the Company in the Extra Ordinary General Meeting of the Company held on 11.02.2001 and pursuant to the In-Principle Approval of the BSE for issue and allotment of Bonus Shares, the Company allotted 26,09,495 Equity Shares as fully paid Bonus Shares of Rs. 10/- each to the Members of Company in the ratio of 7 (Seven) Bonus equity share of Rs. 10/- (Rupees Ten) for every 20 (Twenty) existing fully paid equity share of Rs. 10/- (Rupee Ten). The said Bonus Shares were listed on BSE in the month of March, 2011. As a result of the said Bonus Issue, the Issued, Paid up and Listed Share Capital of the Company has increased from Rs. 7,45,57,000 divided into 74,55,700 fully paid Equity shares of Rs. 10/- each to Rs. 10,06,51,950 divided into 10065195 fully paid Equity Shares of RS. 10/- each.

PROPOSED FURTHER ISSUE OF SECURITIES TO RAISE FUNDS

The Company has various plans to enter into domestic retail garments segments on a higher level by opening of new showrooms at various locations in India. The Company also proposes to make expansions in its dyeing and stitching capacities in the times to come. The Company's Projects are proposed to be funded through issue of Equity and if needed, through a combination of Equity and Debt. The Company would offer a variety of knitted hosiery readymade garments by the opening of retail outlets and/or sophisticated showrooms and may also come up with online shops systems. Thus to augment long term resources of the Company and also for meeting the fund requirements of the existing business, current and future expansions etc., the Company proposes to pass requisite resolution in this regard, enabling it to raise funds, subject to necessary approvals and applicable laws & regulations, by way of issue of equity shares/securities, in the course of domestic and/or international offering(s), at such time or times in one or more tranche or tranches, such Securities include equity shares, convertible warrants, Global Depositary Receipts (GDRs) and/or American Depositary Receipts (ADRs) convertible into equity shares, Foreign Currency Convertible Bonds (FCCBs) or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants etc. convertible into equity shares, whether optionally or otherwise or any combination thereof (hereinafter referred to as 'Securities'). The Company may also issue convertible warrants on Preferential basis to raise funds for the Company as per its suitability and requirements.

The desired resolution(s) for the aforesaid purpose(s) are included in the Agenda for the ensuing Annual General Meeting for the consideration and approval of the members of the Company.

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS

Sh. Vikas Nayar, Director of the Company retires by rotation and being eligible offers himself for re-appointment.



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AUDITORS

M/s Vipin Kumar Aggarwal & Company, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. The Company has received a Certificate to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

AUDITORS' REPORT

The notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for further comments as there are no adverse remarks in the Auditors' Report.

LISTING OF SECURITIES

The securities of the Company are listed only on Bombay Stock Exchange Ltd. (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The Company has duly paid the Listing Fees to BSE upto the financial year 2011-12.

INDUSTRIAL RELATIONS

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

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with Stock Exchanges, the Cash Flow Statement for the year ended 31st March 2011 is annexed at the end of Financial Statements.

RELATED PARTY TRANSACTIONS

Related party transactions have been disclosed in the notes to accounts.

CORPORATE SOCIAL RESPONSIBILITY

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

W.R.A.P. CERTIFICATION

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

BSCI (Business Social Compliance Initiative) CERTIFICATION

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

C-TPAT CERTIFICATION

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



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C-TPAT stands for Customs Trade Partnership Against Terrorism and it is just that: a partnership, or relationship, that a company voluntarily builds with customs to ensure the movement of its supply chain on the company's side and to reassure customs that the company is not importing anything hazardous into the U.S. C-TPAT focuses on "securing company's supply chains with regards to terrorism." It has no doubt its imperative benefits as the Foreign buyer get more relied about the Company's Risk Management System and Safety and Security procedures adopted.

SUBSIDIARY COMPANY

There is no Subsidiary of the Company.

FIXED DEPOSITS

The Company has not invited/ received any deposits during the period under review falling within the meaning of Section 58-A of the Companies Act, 1956 read with Companies (Acceptance of deposits) Rules, 1975 as amended and the directives of the Reserve Bank of India.

GRATUITY

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under Section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure- 1, forming part of this Report.

PARTICULARS OF THE EMPLOYEES

There is no employee drawing salary in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956. As such, with respect to details of remuneration paid to employees, as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, this information is NIL.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the directors confirm that:

- i) In the preparation of annual accounts, the applicable accounting standards have been followed;
- ii) Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on 31st March, 2011 and profit of the Company for the year ended 31st March, 2011.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.

DECLARATION

As per the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, I hereby declare that all the Board Members and Senior Managerial Personnel have affirmed the compliance of the Code of Conduct of the Company for the financial year ended 31st March 2011.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors
Sd/-

(Nitin Bhandari)
Chairman & Managing Director

Place : Ludhiana
Date : 27.08.2011



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

ANNEXURE-1 TO DIRECTORS' REPORT

Disclosure of particulars under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(1) Energy conservation measures taken :

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. The Company has given due attention towards conservation of energy. It not only reduces the cost of production but also helps in conservation of natural resources which are depleting very fast. The Company is constantly looking for savings of energy and trying to conserve energy continuously by modifications or trying alternate means and continuously upgrading technology and work practices. Steps are being taken to conserve energy on a continuous basis. Besides continuing the measures taken in earlier years, following steps were taken during the year 2010-11 with a view to reduce the cost of energy and consequently the cost of production.

Conservation measures taken, proposed measures being implemented for reduction of consumption of energy and consequent impact thereof for the year 2010-11:

Measures taken	Saving amount (Rs. In Lacs)	Energy Savings 2010-11 (Units in Lacs)
<ul style="list-style-type: none"> Installation of energy efficient light fittings. Replacement of old & re-wound motors with Energy Efficient Motors Replacement of derated & defective Capacitors, Optimising Water usage in dyeing and reducing load on ETP and power usage. Use of inverters in Unit . 	3.00	0.50

FORM -A

(2) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM-A OF THE ANNEXURE IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO.

S.No.	Particulars	Unit	Current Year	Prev. Year
2.1	Power & Fuel consumption			
2.1.1	Electricity			
	A. Purchased Units	Kwh	1175295	1228630
	Total Amount	Rs.	5247340	5291826
	Rate per Unit	Rs./Kwh	4.46	4.31
	B} Own Generation Through Diesel Generator			
	Units	Kwh	835057	1238083
	Units per Ltr. of diesel	Kwh	4.86	5.76
	Total Amount	Rs.	6431348	6933267
	Cost per unit of Kwh	Rs./Kwh	7.70	5.60
2.1.2	Coal		NIL	NIL
2.1.3	Furnace Oil		NIL	NIL
2.1.4	Other Internal Generation		NIL	NIL
2.1.5	Husk (Kg) for Steam		3423521	3913531
	Amount (Rs.)		13601151	12596571
	Rate per kg. (Rs.)		3.97	3.22
2.1.6	Fuel (Diesel for Steam)		NIL	NIL
	Rate Per Ltr.		NIL	NIL
2.2	Consumption/unit Production			
	Production of Garments	Pcs.	1289941	1815950
	Electricity Consumed	Kwh/Pcs.	1.56	1.36
	Husk Consumed	Kg./Pcs.	2.65	2.16

**(2) PARTICULARS AS PER FORM 'B'****(A) RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION****1. Specific areas in which R & D activities were carried out by the Company:**

- Quality Improvement
- Yield/Productivity Improvement
- Energy Conservation
- New Technology/Product development

2. Benefits Derived

- Better Quality; reduced wastages
- Cleaner environment
- Safer operations and improved competitiveness

3. Future Plan of Action

Management is committed to strengthen R & D activities for product development as per requirements and to improve its competitiveness in the times to come.

4. Expenditure on R & D

a) Capital : Nil b) Recurring : Nil Total : Nil

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has not imported any technology from abroad during the last five years. However the company has been using the imported machinery. The Company has been making efforts for absorption of latest technology. Your Company has the modern and the state of art technology for the manufacture/fabrication of garments. The Company has necessary research and quality control facilities.

Benefits Derived

The Company has achieved improvement in quality and lower cost of production.

(3) PARTICULARS OF FOREIGN EXCHANGE EARNING AND OUTGO (RS. IN LACS)

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. There have been concentrated efforts to maintain and improve exports performance and to meet the need of end users.

Activities relating to export, initiatives taken to increase exports, development of new export market for products and services and export plans are given hereunder:

- The sale of more environment friendly products has increased.
- The Company has explored new markets and buyers and is going good with recently obtained buyers.
- Targeting growth in the next financial year.

The Management has laid continuous thrust for exploring new markets and as a result , the Company was also able find some new foreign customers. The position of Foreign Exchange earnings and Outgo for the financial year 2010-11 is as under:

FOREIGN EXCHANGE EARNING AND OUTGO**(RS. IN LACS)**

Sr.	Particulars	2010-11	2009-10
a.	Foreign Exchange Earnings (FOB value of Exports, commission earned)	2376.71	2970.77
b.	Foreign Exchange Outgo (CIF value of Imports and expenditure in foreign currency)	89.78	150.22

Place : Ludhiana
Date : 27.08.2011

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

The Indian Textile Industry is one of the leading textile industries in the world. The textiles and apparels sector is a major contributor to the Indian economy in terms of gross domestic product (GDP), industrial production and the country's total export earnings. India earns about 27 per cent of its total foreign exchange through textile exports. Besides, the Indian Textile industry contributes 14 per cent of the total industrial production of the Country. This sector provides employment to over 35 million people and it is expected that the textile industry will generate new jobs during the ensuing years. The industry went through a challenging year with the global meltdown ravaging economies. The collapse in consumer sentiments, weak exports, noteworthy drop in discretionary spending in textiles/apparels and down trading by the consumers put immense pressure on both the top-line and the bottom-line of textile companies.

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

The Textile industry holds a significant position in India by catering to the most basic needs – clothing. The Indian textiles industry is integrated in terms of being extensively engaged in the procurement of raw materials right up to the final production of the actual textile product. The sector targets USD 6 billion foreign direct investment (FDI) by 2015 to be invested in greenfield units in textiles machinery, fabric and garment manufacturing, as well as technical textiles. (Source: CITI report)

Concerns and Threats

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

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

The primary raw material is cotton, which is being sourced from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs, which the industry may not successfully be able to pass on to customers, which in turn would have an material adverse effect on business. There can be no assurance that the price levels of cotton will remain favorable. Any increase in cotton prices would have a material adverse effect on the industry.

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

Opportunities

The good thing about Indian economy and textile industry is that both are more insulated from the effects of world recessions or financial crisis . Fortunately, India has achieved a good break through in cotton production.



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To reduce dependence on traditional markets like the US and Europe, apparel exporters are exploring new markets in Japan, West Asia, Africa and Australia .

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

The need is now that the Government should support in terms of higher duty draw back rates to offset cost disadvantages in India. Side by side it should go for a faster formulation and implementation of sound policies for supporting textile sector. It is expected that the Govt. of India will take suitable steps and adopt suitable policies to boost the Indian textile industry. The Government had set a target of \$14 billion for garments exports for the 2011-12. The apparel industry provides employment to about seven million people, out of which almost half of them are engaged in the export sector. Still there are wide opportunities available to Indian industry not only to grow in international markets but also domestically.

It is expected that Indian apparel exports to the European Union will get almost 20 per cent cheaper in a phased manner with the signing of India-EU free trade agreement (FTA) which is currently in the final stages of negotiations. It is further expected that once the FTA is in place there would be around 30 per cent jump in exports of ready-made garments from India as India will have an edge over countries that have either most favoured nation status or have an FTA with EU but with apparels in the negative list.

b. COMPANY'S GROWTH PROSPECTS AND NEAR TERM OUTLOOK

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

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

Despite surging and fluctuating prices of cotton and other raw materials, the Company recorded a satisfactory performance . During the year 2010-11, the Company was able to achieve an increased turnover of Rs. 9194.13 Lacs as against Rs. 8689.09 Lacs in the year 2009-10, thus registering an increase of around 5.81%. The Profits after Tax of the Company for the year ended 31.03.2011 has been Rs. 114.56 Lacs as against Rs. 111.12 Lacs in the previous year thus showing an increase of around 3.10%. The Exports of the Company for the financial year ended 31.03.2011, however decreased due to global financial crisis effect and the effect triggered by rise in cotton prices and the exports were to the tune of Rs. 2819.26 Lacs for the financial year ended 31.03.2011 as against Rs. 3456.44 Lacs (regrouped figures) in the previous year showing a decrease of 18.43%. Whereas the global slow down of the economies hit the garments , the Company was still able to bear its effects and showed satisfactory performance in terms of total turnover of the Company.

c. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

The financial results of the Company during the year are as under: (Rs. In Lacs)

PARTICULARS	2010-11	2009-10
Turnover	9194.13	8689.09
GROSS PROFIT before interest depreciation and tax	503.60	482.70
Less: Financial expenses	246.18	228.17
Less: Depreciation and preliminary exp. written off	82.77	82.37
PROFIT BEFORE TAX	174.65	172.16
Less: Provision for tax	60.09	61.04
PROFIT AFTER TAX	114.56	111.12



Bhandari Hosiery Exports Limited

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TURNOVER AND PROFITS

Despite surging and fluctuating prices of cotton and other raw materials, the Company recorded a satisfactory performance. During the year 2010-11, the Company was able to achieve an increased turnover of Rs. 9194.13 Lacs as against Rs. 8689.09 Lacs in the year 2009-10, thus registering an increase of around 5.81%. The Profits after Tax of the Company for the year ended 31.03.2011 has been Rs. 114.56 Lacs as against Rs. 111.12 Lacs in the previous year thus showing an increase of around 3.10% over the previous year.

FIXED ASSETS

During the year under review, there were additions in the Plant and Machinery, Furniture & fixture, Vehicles and Electric Fitting & Equipment of the Company. Net fixed assets stood to Rs 1107.86 Lacs as against Rs. 1104.85 Lacs in the previous year.

INVESTMENTS

The company has not carried out any investment activities during the year. However, in the year 2010-11, the Company sold 340000 shares at a price of Rs 7/- per share of Bhandari Export Industries Limited. This amount of investment had earlier been written off in the financial year 2003-04, duly approved by the Board & Shareholders, due to the reason that the Company Bhandari Export Industries Limited was under the BIFR's/AAIFRs purview and intrinsic value of investments in the shares of that company had reduced to nil. As a result of the Order of Hon'ble BIFR the paid up share capital of said Company was reduced to 10%. Vide Hon'ble AAIFR's order dated 07.09.2010, the Company Bhandari Export Industries Limited came out of BIFR's purview. As a result, the Investment of Rs 34,000,000 comprising of 3,400,000 equity shares of Rs. 10/- each in the said Company written off in the year 2003-04, reduced to Rs 3,400,000 comprising of 340,000 equity shares of Rs. 10/- each after Hon'ble BIFR/AAIFR order. Accordingly, the amount of Rs. 23.80 Lacs has been reflected in the Profit & Loss Account for the year ended 31st March, 2011.

CURRENT ASSETS

The liquidity of the Company improved and net current assets have shown a good increase. The net Current Assets of the Company stood at Rs. 3049.69 Lacs in the current year as against Rs. 2904.59 Lacs in the previous year.

LIABILITIES AND CAPITAL

The Issued, Subscribed and Paid up, Listed and Admitted Share Capital of the Company increased from Rs. 7,45,57,000 divided into 74,55,700 fully paid Equity Shares of Rs. 10/- each to Rs. 10,06,51,950 divided into 1,00,65,195 fully paid Equity Shares of Rs. 10/- each on account of issue and listing of 26,09,495 fully paid Bonus Equity Shares, during the period under review. Reserves and surplus amounted to Rs. 1130.23 Lacs as against Rs. 1250.17 Lacs in the previous year. Secured loans stood to the extent of Rs. 1846.90 Lacs as against Rs. 1842.61 Lacs in the previous year.

d. INTERNAL CONTROL SYSTEMS

Your Company has well defined business processes with effective control systems to ensure that assets and interests of company are safeguarded. The Company has special task force working on budgetary controls. Considering the size and nature of operations of the Company, the overall control systems are adequate to meet the requirements.

The Company has its own internal audit team comprising of qualified professional as well as external audit firm retained by the Company to monitor business processes and risks associated with them.

e. DEVELOPMENTS ON HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

f. RISKS, THREATS AND RISK MANAGEMENT

Your Company faces general risks inherent in any business including political, legal, geographical, economical, environmental and competition risks and takes appropriate steps to mitigate them and reduce their impact to the extent possible. The exports of the company are subject to set legal procedures and Govt. Rules, approvals and regulations and any change in them may affect the business of the Company. Raw material prices also affect the financial performance of the company.



RISKS AND THREATS

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

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

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

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

g. SUBSIDIARY

There is no Subsidiary of the Company.

h. SEGMENT WISE PERFORMANCE

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

i. EXPORTS

The exports of the Company registered a decline for financial year ended 31.03.2011 due to global financial crisis effect and the effect triggered by rise in cotton prices. The exports of the Company were to the tune of Rs. 2819.26 Lacs for the financial year ended 31.03.2011 as against Rs. 3456.44 Lacs (regrouped figures) in the previous year showing a decrease of 18.43%. Whereas the global financial crisis and prices of cotton and other raw materials hit the garments industry, the Company was still able to bear its effects and recorded satisfactory performance in terms of turnover and profitability of the Company for the year 2010-11.

**CORPORATE GOVERNANCE REPORT**

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

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

- (i) **COMPOSITION:** At present, the Board of Directors of the Company consists of 5 Directors including one Executive Chairman cum Mg. Director. The Composition of the Board is as per stipulated requirements.
- (ii) **BOARD MEETINGS:** During the financial year 2010-11, the Board met 9 times on 30.04.2010, 09.07.2010, 13.08.2010, 03.09.2010, 13.11.2010, 15.01.2011, 14.02.2011, 26.02.2011 and 29.03.2011. Following is the composition of the Board, attendance and other memberships of the directors of the Company:

Name of Director	Designation	Category	No. of B.M. Attended	Attendance At last AGM	No. of Chairmanship/membership on the Board of other Public Companies	No. of Chairmanship/membership on the Committees of other Public Companies	Remarks
Shri Nitin Bhandari	Chairman and Mg. Director	Promoter Director	8	N.A.	NIL	NIL	
Shri R.C. Singal	Director	Non Executive and Independent	8	Yes	8 Directorships	5 Memberships 4 Chairmanships	
Shri Ashish Thapar	Director	Non Executive and Independent Director	7	Yes	NIL	NIL	
Shri Vikas Nayyar	Director	Non Executive and Independent	3	No	NIL	NIL	
Shri ManMohan Sikka	Director	Non Executive and Independent Director	8	No	1 Membership	1 Membership	

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

Information of Directors including those being Appointed/Re-appointed

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

INFORMATION AVAILABLE TO BOARD

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

- Annual operating plans, budgets and any updates therein;
- Capital budgets and any updates therein;
- Quarterly results for the Company and its operating / business segments;



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

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

3. COMMITTEES OF THE BOARD

(i) Audit Committee:

The Audit committee at present consists of 3 directors viz. Shri Ashish Thapar, Shri R. C. Singal and Shri Manmohan Sikka, all being Non Executive and Independent Directors. Sh. Ashish Thapar acts as Chairman of this Committee. The Company Secretary acts as Secretary to the Meetings of Audit Committee. The Audit Committee met four times during the financial year on 30.04.2010, 13.08.2010, 13.11.2010 and 14.02.2011. The Meetings were attended to by all the members.

(ii) Shareholders/Investors Grievance Committee

The Company has a Shareholders' Grievance Committee to redress the investors' complaints. The Committee consists of 3 directors viz Shri Ashish Thapar, Shri R. C. Singal and Shri Vikas Nayyar, all being Non Executive and Independent Directors. Mr Vikas Nayyar acts as Chairman of this Committee. The Company Secretary of the Company is the Compliance Officer for this Committee. During the year 2010-11, the Grievance Committee met 4 times on 20.04.2010, 04.08.2010, 30.10.2010 and 08.01.2011 which were attended to by all the Directors except Sh. R.C. Singal, to whom the Leave of absence was granted at Meetings.

During the financial year, the Company had received only one complaint relating to share transfers/interim dividend etc which was duly redressed. The Company's complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2010-11. The Company has its designated Email Address exclusively for redressal of investors Complaints i.e. investor@bhandariexport.com and the same is also mentioned at the Company's Website.

(iii) Remuneration and Selection Committee

The Remuneration and Selection Committee presently consists of 3 directors viz. Shri Vikas Nayyar, Shri R.C. Singal and Shri Ashish Thapar. Sh. Ashish Thapar is the Chairman of this Committee. The Company Secretary acts as Secretary to the Meetings of this Committee. During the year 2010-11, only one Meeting of the Remuneration and Selection Committee was held on 14.02.2011 which was attended by all the Members.

4. DIRECTORS' REMUNERATION:

The Company pays remuneration to Chairman & Managing Director. The Details of remuneration paid to Directors during the financial year is as given below:

a. Managing/Whole Time Directors

Name	Designation	Salary	Commis-sion	Employer's Contribution to PF and other funds	Other Perquisites	Total (Rs.) 2010-11	Remarks
Shri Nitin Bhandari	Chairman& Mg. Director	1200000/-	NIL	90000/-	NIL	1290000/-	

**b. Non Executive Directors**

Non executive directors have not been paid any remuneration except for their sitting fees of Rs. 2500/- for each Meeting of the Board of Directors or Audit Committee attended by them and for such number of respective Meetings attended by them.

5. WHISTLE BLOWER POLICY :

The Audit Committee has also framed Whistle Blower Policy. The said policy is an extension of Code of Conduct of the Company. The employees of the Company have been made acquainted with the policy and the said Policy has also been placed at the Company's Website i.e www.bhandariexport.com

6. COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted a "Code of Conduct for Directors and Senior Management Personnel". The Directors and Senior Management Personnel have given an Annual Affirmation during the year 2010-11, to this Code. The said Code has also been placed by the Company on its website i.e. www.bhandariexport.com

7. GENERAL BODY MEETINGS:

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

Meeting	Day	Date	Time	Venue	No. of Special Resolutions
17 th AGM	Monday	27.09.2010	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	2
16 th AGM	Tuesday	29.09.2009	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	3
15 th AGM	Monday	29.09.2008	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	Nil

(ii) **Only One Extra Ordinary General Meeting** of the Shareholders of Company was held on 11.02.2011 to approve by way of Ordinary Resolution, capitalization of sums out of Reserves for issue of Bonus Equity Shares to Shareholders of the Company.

(iii) Number of resolutions passed through postal ballot during the financial year 2010-11 was Nil..

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

8. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(V) of the Listing Agreement, for the year ended 31 March, 2011.

9. DISCLOSURES:

9.1 During the year, there was no material/significant transaction with the directors or the management, their subsidiaries or relatives etc./ related party transactions, having any potential conflict with interest of the Company at large. The Board hereby confirms that no personnel have been denied access to the Audit Committee. The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. There has not been any non compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or SEBI or other authority on any matter related to capital market during the last 3 years.

9.2 Disclosure of relationship between Directors inter-se:

None of the Director is related to each other.

**9.3 Disclosure of shares/ convertible instruments held by Non- Executive Directors as on 31.03.2011****A. SHARES**

1. Shri Ashish Thapar	Nil
2. Shri Vikas Nayyar	Nil
3. Shri Manmohan Sikka	Nil
4. a) Shri R.C. Singal	135
*b) RCS Financial Technology Ltd.	970
*c) RCS Securities Pvt. Ltd.	5750

* In RCS Financial Technology Ltd. and RCS Securities Pvt. Ltd, Sh. R.C. Singal is a Director.

B. CONVERTIBLE INSTRUMENTS

There are no outstanding convertible Instruments as at 31.03.2011.

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

There were no fresh Public/ Rights / Preferential issues of Shares or convertible instruments during the period under review. The Board of Directors of the company in its Meeting held on 30.04.2010 has Withdrawn/cancelled, in view of the changed scenario and changed working capital requirements, the proposal to make a Rights issue of 2609495 equity shares of Rs. 10/- each for which no Draft Letter of Offer was filed with SEBI..

However, during the period under review, pursuant to the approval of Members of the Company in the Extra Ordinary General Meeting of the Company held on 11.02.2001 and pursuant to the In-Principle Approval of the BSE for issue and allotment of Bonus Shares, the Company allotted 26,09,495 Equity Shares as fully paid Bonus Shares of Rs. 10/- each to the Members of Company in the ratio of 7 (Seven) Bonus equity share of Rs. 10/- (Rupees Ten) for every 20 (Twenty) existing fully paid equity share of Rs. 10/- (Rupee Ten). The said Bonus Shares were listed on BSE in the month of March, 2011. As a result of the said Bonus Issue, the Issued, Paid up and Listed Share Capital of the Company has increased from Rs. 7,45,57,000 divided into 74,55,700 fully paid Equity shares of Rs. 10/- each to Rs. 10,06,51,950 divided into 10065195 fully paid Equity Shares of RS. 10/- each .

10. MEANS OF COMMUNICATION:

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

11. GENERAL SHAREHOLDERS INFORMATION:**A. 18TH ANNUAL GENERAL MEETING**

DATE	26.09.2011
TIME	9.00 A.M.
DAY	Monday
VENUE	Regd.Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana- 141007

B. FINANCIAL CALENDAR 2011-12 (TENTATIVE)

FIRST QUARTER RESULTS	: MIDDLE OF AUGUST, 2011
SECOND QUARTER RESULTS	: MIDDLE OF NOVEMBER, 2011
THIRD QUARTER RESULTS	: MIDDLE OF FEBRUARY, 2012
FOURTH QUARTER	: APRIL/MIDDLE OF MAY, 2012
ANNUAL ACCOUNTS	: AUGUST, 2012

C. DATES OF BOOK CLOSURE : 22.09.2011 TO 26.09.2011 (BOTH DAYS INCLUSIVE)**D. FINAL DIVIDEND PAYMENT DATE : No Dividend has been recommended by the Board of Directors****E. LISTING:** The Securities of the Company are listed only on **Bombay Stock Exchange Limited (BSE)**, Feroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

BSE SCRIP CODE: 512608 ISIN: INE 474E01011

The Company has duly paid the Listing fees to the aforesaid Stock Exchange upto Financial Year 2011-12.



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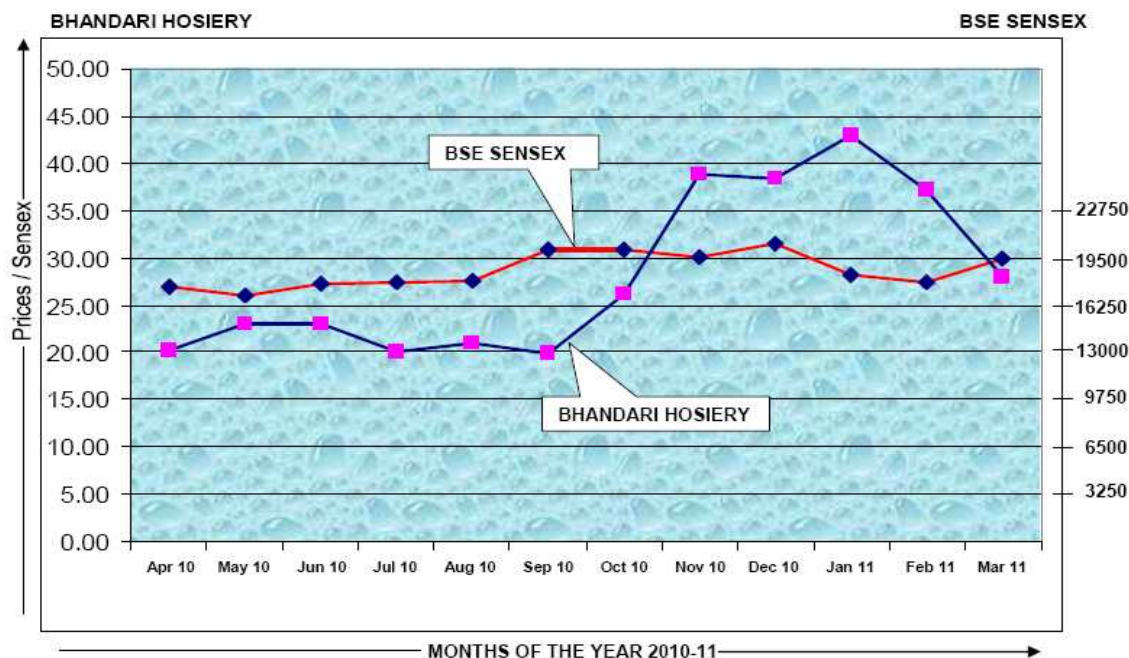
F. STOCK MARKET DATA

The month wise highest, lowest and closing stock prices vis a vis BSE Sensex during the financial year 2010-11 are given below:

BHANDARI HOSIERY EXPORTS LIMITED				BSE SENSEX		
MONTH	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April 2010	20.7	17.6	20.15	18047.86	17276.8	17558.71
May 2010	25.85	20	23	17536.86	15960.15	16944.63
June 2010	25.05	18.7	23	17919.62	16318.39	17700.9
July 2010	24.1	19.95	20	18237.56	17395.58	17868.29
August 2010	22.55	19	21	18475.27	17819.99	17971.12
September 2010	28.85	18.6	19.9	20267.98	18027.12	20069.12
October 2010	28.7	18.95	26.25	20854.55	19768.96	20032.34
November 2010	38.85	24.65	38.85	21108.64	18954.82	19521.25
December 2010	42.25	31.05	38.4	20552.03	19074.57	20509.09
January 2011	52	35.3	42.9	20664.8	18038.48	18327.76
February 2011	44.9	31.6	37.15	18690.97	17295.62	17823.4
March 2011 *	41.5	26.9	28.1	19575.16	17792.17	19445.22

* Note: Bonus issue in the ratio of 7 Equity Shares for every 20 Equity Shares in the month of March, 2011

COMPARISON OF MONTHLY CLOSING PRICES/INDICES BHANDHOS VS. BSE SENSEX



G. REGISTRAR AND SHARE TRANSFER AGENT :

In accordance with the Circular of Securities and Exchange Board of India (SEBI), the work of physical share transfer of the Company is with M/S **LINK INTIME INDIA PVT. LTD, A-40, 2 FLOOR, NARAINA INDUSTRIAL AREA, PHASE II, NEAR BATRA BANQUET HALL, NEW DELHI- 110028, PHONES: 011- 41410592-94, FAX: 011- 41410591, Email: delhi@linkintime.co.in** . Electronic Mode i.e de-materialization of shares is already done through them. Thus activities of share transfer and de-mat are at single point with them. The ISIN of the Company is : ISIN INE 474E01011. The shares of the Company are traded compulsorily in Demat form on Bombay Stock Exchange Ltd. and the Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services



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(India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

H. SHARE TRANSFER SYSTEM:

M/S LINK INTIME INDIA PVT. LTD, A-40, 2 FLOOR, NARAINA INDUSTRIAL AREA, PHASE II, NEAR BATRA BANQUET HALL, NEW DELHI- 110028, PHONES: 011- 41410592-94, FAX: 011- 41410591, are the RTAs of the Company to handle both physical and demat of shares activities. Physical Share Transfers are normally completed/replied within 15 days by RTAs .

I. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2011

RANGE OF SHARES	NO. OF HOLDERS	%OF HOLDERS	NO. OF SHARES	% OF SHARES
Upto 5,000	4034	89.684	588519	5.847
5,001 - 10,000	189	4.202	127876	1.27
10,001 - 20,000	107	2.379	154053	1.531
20,001 - 30,000	61	1.356	149835	1.489
30,001 - 40,000	16	0.356	54987	0.546
40,001 - 50,000	15	0.333	65359	0.649
50,001 - 1,00,000	31	0.689	220111	2.187
1,00,001 & Above	45	1.001	8704455	86.481
Total	4498	100	10065195	100

J. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS
I. BOARD OF DIRECTORS	49 I	YES
A. COMPOSITION OF BOARD	49 I A	YES
B. NON EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURES	49 IB	YES
C. INDEPENDENT DIRECTORS	49IC	YES
D. BOARD PROCEDURES	49 ID	YES
E. CODE OF CONDUCT	49 IE	YES
F TERM OF OFFICE OF NON EXECUTIVE DIRECTORS	49 IF	YES
II. AUDIT COMMITTEE	49 II	YES
A. QUALIFIED AND INDEPENDENT AUDIT COMMITTEE	49 II A	YES
B. MEETING OF THE AUDIT COMMITTEE	49 II B	YES
C. POWERS OF THE AUDIT COMMITTEE	49 II C	YES
D. ROLE OF THE AUDIT COMMITTEE	49 II D	YES
E. REVIEW OF INFORMATION BY AUDIT COMMITTEE	49II E	YES
III. AUDIT REPORTS AND AUDIT QUALIFICATIONS	49 III	YES
IV. WHISTLE BLOWER POLICY	49 IV	YES
V. SUBSIDIARY COMPANIES	49V	YES
VI. DISCLOSURE OF CONTINGENT LIABILITIES	49 VI	YES
VII. DISCLOSURES	49 VII	YES
A. BASIS OF RELATED PARTY TRANSACTIOSN	49 VII A	YES
B. BOARD DISCLOSURES	49 VII B	YES
C. PROCEEDS FROM INITIAL PUBLIC OFFERINGS	49 VII C	N.A.
D. REMUNERATION OF DIRECTORS	49 VII D	YES
E. MANAGEMENT	49 VII E	YES
F. SHAREHOLDERS	49 VII F	YES
VIII. CEO/CFO CERTIFICATION	49 VIII	COMPLIED
IX REPORT ON CORPORATE GOVERNANCE	49 IX	COMPLIED
X. COMPLIANCE	49 X	YES



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K. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2011

CATEGORY	NO. OF SHARES	% OF SHAREHOLDING
Promoters/ Promoters Group	7452334	74.04
Mutual Funds	0	0
Banks, FIs, Etc.	4067	0.04
Foreign Institutional Investors / Foreign Mutual Funds	0	0
Private Corporate Bodies	852455	8.47
Non Resident Indians	1080	0.01
Indian Public	1750364	17.39
Clearing Members	4895	0.05
GRAND TOTAL	10069195	100

L. SHAREHOLDING OF DIRECTORS AS ON 31.03.2011.

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

Name of Directors	Number of Shares held as on 31.03.2011
Mr. Nitin Bhandari	4173823 (41.47%)
Mr. R. C. Singal	135 (0.00%)
Mr. Manmohan Sikka	NIL
Mr. Vikas Nayar	NIL
Mr. Ashish Thapar	NIL

M. DEMATERIALISATION OF SHARES:

As on 31.03.2011 approx. 57.21% shares comprising 5758735 equity shares were dematerialised.

N. COMPLIANCE OFFICER :

Shri Gurinder Makkar, Company Secretary, Phones 0161-3260742-44, Fax 0161-2690394.
Email: bhandari@bhandariexport.com; investor@bhandariexport.com

O. CEO & MG. DIRECTOR:

Shri Nitin Bhandari, Chairman cum Mg. Director, Phones 0161-3260742-44, Fax 0161-2690394

P. CHIEF FINANCIAL OFFICER (CFO):

 Shri Surinder Kumar, Chartered Accountant.

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

R. UNCLAIMED DIVIDENDS

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date they became due for payment shall be transferred to Investor Education and Protection Fund ("Fund").

Members who have not encashed their dividend for the financial year 2006-07, are requested to make their claims to the Registrar/Company. It may be noted that once the unclaimed/unpaid dividend is transferred to the credit of the said Fund, no claim shall lie in respect thereof.

S. OUTSTANDING GDRS/ADRS/WARRANTS

The company has not issued GDRs/ ADRs/Warrants as of March 31, 2011.

T. PLANT LOCATIONS:

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

U. ADDRESS FOR CORRESPONDENCE:

REGD. OFFICE : BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007
PHONES : 0161- 3260742-44, FAX : 0161- 2690394; EMAIL : bhandari@bhandariexport.com

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



Bhandari Hosiery Exports Limited

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

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

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

Place: Ludhiana
Date: 27.08.2011

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

Sd/-
Surinder Kumar
CFO

Declaration

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2010

Sd/-

Place: Ludhiana
Date: 27.08.2011

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

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

TO

THE MEMBERS

BHANDARI HOSIERY EXPORTS LIMITED

We have examined the compliance of the conditions of Corporate Governance by M/s Bhandari Hosiery Exports Limited for the year ended on March 31, 2011 as required in clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as required under Clause 49 of the listing agreements. Further, we state that no investors' grievances are pending for a month which are unreplied/unredressed as per records.

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

PLACE : LUDHIANA
DATED : 27.08.2011

For VIPAN KUMAR AGGARWAL & CO.
(CHARTERED ACCOUNTANTS)

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



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

AUDITORS' REPORT

The Members,

**M/s BHANDARI HOSIERY EXPORTS LIMITED,
Ludhiana.**

1. We have audited the attached Balance Sheet of M/s Bhandari Hosiery Exports Limited as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified by in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011, from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes appearing in Schedule-U give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011, and
 - ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Sd/-

(Vipin Aggarwal)

(Prop.)

Membership No. 081198

Place : Ludhiana.

Date : 27.08.2011



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the accounts for the year ended 31st March, 2011 of Bhandari Hosiery Exports Limited.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
(b) According to the information and explanations given to us, the management during the year has physically verified fixed assets. No discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and the nature of its business.
2. (a) According to the information and explanations given to us, inventories have been physically verified during the year by the management at the close of the year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies have been noticed on verification between the physical stocks & book records.
3. (a) According to the information and explanations given to us, the company has not accepted any loans from its directors covered in the register maintained under Section 301 of the Companies Act, 1956 and the year end balance of loans taken from such parties was NIL.
(b) In our opinion and according to the information and explanations given to us no loans have been taken from the party listed in the registers maintained under Section 301 of the Companies Act, 1956.
(c) The company has not taken any loans from the parties listed in the register under Section 301 of the Companies Act, 1956
(d) No loans has been taken from or granted to the companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control procedures.
5. Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
6. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements entered in the registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
7. In our opinion and according to the information and explanations give to us, the company has not invited or accepted any deposits from the public during the year under review.
8. In our opinion, the company has internal audit system commensurate with the size and nature of its business.
9. The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956 in respect of the Company's products.
10. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st March, 2011 for a period of more than six months from the date they become payable.



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

- (c) According to the records of the company, there are no dues of sales tax, custom duty tax, wealth tax, excise duty/ Cess . An amount of Rs. 1148751/- on account of Income Tax has not been deposited due to appeals pending before the appellate authorities.
11. There are no accumulated losses of the company and the company has not incurred any cash losses during the year covered by our audit and in the immediately preceding financial year under review.
 12. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks.
 13. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 14. The company is a manufacturing company and therefore, the provisions of Clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
 15. According to the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments except sale of old written off investments.
 16. The company has not given any guarantee for loans taken by others from bank or financial institutions.
 17. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
 18. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment. Further no long term funds raised have been used to finance short term assets.
 19. During the year under review, the company has not issued any debentures. No creation of any security in respect of any debentures was made.
 20. The company has not raised any money by way of public issue during the year. However company has issued 2609495 equity shares of Rs. 10/- each as fully paid Bonus shares by capitalizing the equal amount from Share premium & General Reserves .
 21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-

(Vipin Aggarwal)
(Prop.)

Membership No. 081198

Place : Ludhiana.

Date : 27.08.2011



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE		AS AT 31.03.2011 (Rs.)		AS AT 31.03.2010 (Rs.)
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A	100,651,950		74,557,000	
b) Reserves & Surplus	B	113,022,781	213,674,731	125,016,556	199,573,556
2. Loan Funds					
Secured Loans	C		184,690,034		184,260,851
Deferred Tax Liability	D		17,390,658		17,110,058
Total Funds employed			415,755,423		400,944,465
II. APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	E	175,198,487		166,901,755	
b) Less: Depreciation		64,412,614	110,785,873	56,416,342	110,485,413
2. Investments	F	—	—	—	—
3. Current Assets, Loans & Advances					
a) Inventories	G	330,537,418		246,751,484	
b) Sundry Debtors	H	35,497,105		57,505,534	
c) Cash & Bank Balances	I	42,992,279		12,032,835	
d) Loans & Advances	J	13,489,502		14,603,054	
e) Other Current Assets	K	17,947,600		21,477,258	
		440,463,904		352,370,165	
Less: Current Liabilities	L	129,379,651		55,742,247	
Less:-Provisions	L	6,114,703	304,969,550	6,168,866	290,459,052
Total Application of Funds			415,755,423		400,944,465
Notes on Accounts	V				

The Schedules referred to above form an Integral part of the Balance Sheet.
As per our report of even date attached to the Balance Sheet.

For Vipin Kumar Aggarwal & Co.
Chartered Accountants

Sd/-
(Vipin Kumar Aggarwal)
Proprietor
Membership No. 081198
Place : Ludhiana
Date : 27.08.2011

Sd/-
(Surinder Kumar)
Chief Financial Officer

Sd/-
(Gurinder Makkar)
Company Secretary

Sd/-
(R.C. Singal)
Director

Sd/-
(Nitin Bhandari)
Chairman & Mg.
Director



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	ANNEXURE		AS AT 31.03.2011 (Rs.)		AS AT 31.03.2010 (Rs.)
INCOME					
Turnover	M	918,688,774		867,890,899	
Other Income	N	724,669		1,018,275	
			919,413,443		868,909,174
EXPENDITURE					
Raw material consumed	O		711,211,063		600,352,254
Manufacturing Expenses	P		161,793,459		165,750,027
Personnel Expenses	Q		18,527,288		20,178,390
Office & Administrative Expenses	R		17,102,187		20,503,779
Financial Expenses	S		24,618,736		22,816,971
Selling & Distribution Expenses	T		34,156,907		40,900,747
(Increase)/Decrease in Stock	U		(73,737,936)		(27,046,150)
Depreciation	E		8,277,078		8,237,247
TOTAL			901,948,782		851,693,263
Profit before taxation			17,464,661		17,215,911
Provision for Income Tax		5,592,419		5,573,000	
Provision for Deferred Tax		280,600		449,400	
Short Provisions for earlier years		135,499		81,474	
			6,008,518		6,103,874
Profit after taxation			11,456,143		11,112,037
Balance brought forward			70,116,556		65,695,771
Available for appropriations			81,572,699		76,807,808
Realised from sale of Investment written off in year 2003-04			2,380,000		-
Excess Provision Written Back			265,032		-
Balance written off Net			-		16,252
Provision for bad and doubtful debts			-		4,000,000
Provision for bad and unrecoverable receivables			-		1,575,000
Provision for Bad & unrecoverable advances			-		1,100,000
			84,217,731		70,116,556
Surplus carried over to Balance Sheet			11,456,143		11,112,037
Net Profit available for Equity Shareholders			10,065,195		7,455,700
Number of equity shares			1.14		1.10
Basic Earning per Share of Rs. 10/- each			1.14		1.10
Diluted Earning per Share of Rs. 10/- each (Refer Note 12 of Notes on Accounts under Schedule V)					
Notes on Accounts	V				

The Schedules referred to above form an Integral part of the Balance Sheet and Profit & Loss Account.
As per our report of even date attached to the Balance Sheet.

For Vipin Kumar Aggarwal & Co.
Chartered Accountants

Sd/-
(Vipin Kumar Aggarwal)
Proprietor
Membership No. 081198

Sd/-
(Surinder Kumar)
Chief Financial Officer

Sd/-
(Gurinder Makkar)
Company Secretary

Sd/-
(R.C. Singal)
Director

Sd/-
(Nitin Bhandari)
Chairman & Mg.
Director

Place : Ludhiana
Date : 27.08.2011



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2011			
PARTICULARS	AS AT 31.03.2011 (Rs.)		AS AT 31.03.2010 (Rs.)
<u>SHARE CAPITAL</u>			SCHEDULE - A
Authorised Capital 2,50,00,000 equity shares of Rs. 10/- each (Previous Year 25000000 equity shares of Rs. 10/- each)	250,000,000		250,000,000
Issued, Subscribed & Paid up Capital 10,065,195 equity shares of Rs. 10/- each (fully paid up) (Previous Year 7455700 equity shares of Rs. 10/- each fully paid up) Of the above, 2,609,495 Equity Shares of Rs. 10/- each (Previous year NIL) were allotted as fully paid up by way of bonus shares out of Securities Premium and General Reserves.	100,651,950		74,557,000
<u>RESERVES AND SURPLUS</u>			SCHEDULE - B
Share Premium Reserves			
Opening Balance 23,200,000		23,200,000	
Less Utilized for issue of Bonus Shares 23,200,000	-	-	23,200,000
General Reserves			
Opening Balance 31,700,000		31,700,000	
Less Utilized for issue of Bonus Shares 2,894,950	28,805,050	-	31,700,000
Profit & Loss Account	84,217,731		70,116,556
	113,022,781		125,016,556
<u>SECURED LOANS</u>			SCHEDULE - C
Term Loans			
a. S.B.I. Term Loan A/C No-30307794275	7,411,107		11,440,913
b. S.B.I. Term Loan A/C No. 31416133417	3,881,080		-
c. S.B.I. Corporate Loan A/C	8,447,043		13,482,011
d. Kotak Mahindra Bank Ltd. Car Loan A/C	5,741,017		-
e. ICICI Bank Car Loan	356,285		-
f. Axis Bank Ltd, Car Loan A/C	-		1,466,132
Working Capital Limits			
g. S.B.I FCNRB Loan	-		34,937,711
h. S.B.I E.P.C & SLC	69,788,979		93,526,042
i. S.B.I. CCA 30729399785	89,064,523		29,408,042
	184,690,034		184,260,851
NOTE:* For Term loans(a, b , c of Schedule C), the first charge on the fixed assets is given to the lending bank. Second charge on Current Assets has been given to lending bank on pari passu basis. Working capital limits (g, h, i of Schedule C) are secured by 1st charge on all stocks , consisting of Raw material , Work in process, finished stock, stores & spares , goods lying with fabricators , goods in transit , lying on docks , book debts and all other current assets of the company , both present & future . Extension of charge on entire fixed assts of the company also given to the lending bank on pari-passu basis. Car loans (d,e,f of Schedule C) are secured by way of hypothecation of respective cars to respective Banks. All the credit facilities are guaranteed by personal guarantee of the Managing Director . In Schedule C, a,b,c,g,h and i are also collaterally secured by Equitable Mortgage of land and building of M/s Bhandari Knit Exports.			
<u>DEFERRED TAX</u>			SCHEDULE - D
Opening Balance	17,110,058		16,660,658
Add:-Provision for the year	280,600		449,400
	17,390,658		17,110,058



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31.03.2011

SCHEDULE - E

PARTICULARS	GROSS BLOCK AS AT 01.04.2010	ADDITIONS DURING THE YEAR	SALE/TRF. YEAR	GROSS BLOCK AS AT 31.03.2011	DEPRECIATION UP TO 31.03.2010	DEPRECIATION WRITE N BACK	DEPRECIATION FOR THE YR.	DEPRECIATION UP TO 31.03.2011	NET BLOCK AS AT 31.03.2011	NET BLOCK AS AT 31.03.2010
FREE HOLD LAND	3,732,500	-	-	3,732,500	-	-	-	-	3,732,500	3,732,500
BUILDING SITE & DEVELOPMENT	34,950,296	-	-	34,950,296	8,479,662	-	1,167,340	9,647,002	25,303,294	26,470,634
TEMPORARY FITTING	916,131	-	-	916,131	454,584	-	27,759	482,343	433,788	461,547
PLANT & MACHINERY	91,615,488	4,980,466	306,000	96,289,954	34,493,818	19,568	4,371,548	38,845,798	57,444,156	57,121,670
FURNITURE & FIXTURE	5,530,262	342,446	-	5,872,708	1,926,834	-	353,303	2,280,137	3,592,571	3,603,428
OFFICE EQUIPMENT	1,982,803	32,000	-	2,014,803	552,948	-	99,655	652,603	1,362,200	1,429,855
ELECTRIC FITTING & EQUIPMENT	15,134,088	490,600	-	15,624,688	4,983,704	-	1,092,772	6,076,476	9,548,212	10,150,384
INTEGIBLE ASSETS	220,958	-	-	220,958	12,245	-	10,496	22741	198,217	208,713
VEHICLES	1,177,299	295,000	442,000	1,030,299	524,056	146,136	53,527	431,447	598,852	653,243
CAR	11,641,930	556,285	286,975	11,911,240	4,988,491	115,102	1,100,678	5,974,067	5,937,173	6,653,439
Capital Work in Progress	-	2,634,911	-	2,634,911	-	-	-	-	2,634,911	-
TOTAL	166,901,755	9,331,708	1,034,975	175,198,488	56,416,342	280,806	8,277,078	64,412,614	110,785,874	110,485,413
PREVIOUS YEAR	163,253,560	3,648,195	-	166,901,755	48,179,095	-	8,237,247	56,416,342	110,485,413	115,074,465

PARTICULARS	AS AT 31.03.2011 (RS.)	AS AT 31.03.2010 (RS.)
INVESTMENTS		SCHEDULE - F
Unquoted Shares	-	-
Quoted Shares	-	-
(Refer Note No. 14 on Notes on Accounts under Schedule V)	-	-
CURRENT ASSETS, LOANS & ADVANCES		
INVENTORIES (Valued at Cost or net realisable value, whichever is lower as certified by the Management of the Company)		SCHEDULE - G
-Stores and Spares(At cost)	8,358,847	6,442,974
-Raw Materials (At cost)	29,770,577	21,638,452
-Finished Goods & wastage (At cost or net realizable value whichever is lower)	35,760,295	57,769,428
- Work-in-Progress(At estimated cost)	256,647,699	160,900,630
	330,537,418	246,751,484
SUNDRY DEBTORS (Unsecured, Considered Goods unless otherwise stated)		SCHEDULE- H
a)Debts more than six month		
Domestic	-	10,106,368
Foreign	-	1,524,415
Total	-	11,630,783
Less:-Provision for Bad and Doubtful debts	-	4,000,000
		7,630,783
b)Debts less than six month		
Domestic	15,955,218	45,420,289
Foreign	31,319,442	4,454,462
Less Negotiated from Bank	(11,777,555)	-
	35,497,105	49,874,751
	35,497,105	57,505,534
CASH AND BANK BALANCES		SCHEDULE- I
Balance with scheduled banks	12,541,076	5,753,801
Cash in hand	4,022,550	1,526,215
Cheques deposited but not clear	26,428,653	4,752,819
	42,992,279	12,032,835



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

PARTICULARS	AS AT 31.03.2011 (RS.)		AS AT 31.03.2010 (RS.)
LOANS AND ADVANCES			SCHEDULE – J
(Unsecured, Considered Good unless otherwise stated)			
a) Advances recoverable in cash or kind or value to be received 4,306,444		5,657,052	
Less:-Provision for unrecoverable Receivables 1,100,000	3,206,444	1,100,000	4,557,052
b) Securities and Deposits	10,248,058		10,011,002
c) Advances to Suppliers of Capital goods	35,000		35,000
	13,489,502		14,603,054
OTHER CURRENT ASSETS			SCHEDULE– K
VAT Refund Receivable	6,944,716		12,052,474
Advance Income Tax for the A.Y.2011-12	3,038,133		-
Advance Income Tax for the A.Y. 2010.11	-		3,562,605
Income Tax under appeal A..Y.2004-05	833,829		833,829
Income Tax under appeal A.Y 2008-09	200,000		-
Investments Sale Proceeds Recoverable	630,000		-
Export incentive Receivables 6,081,675		6,007,932	
Less:- Provision for Unrecoverable Receivables -	6,081,675	1,575,000	4,432,932
Interest Accrued but not due	219,247		595,418
	17,947,600		21,477,258
CURRENT LIABILITIES & PROVISIONS			SCHEDULE– L
Current Liabilities			
Sundry Creditors	114,964,497		48,830,914
Current Liabilities	14,415,154		6,911,333
	129,379,651		55,742,247
Provisions			
Provision for Gratuity	522,284		595,866
Provision for Income-Tax	5,592,419		5,573,000
	135,494,354		61,911,113
TURNOVER			SCHEDULE– M
Sales -Export	281,926,317		345,644,257
Sales-Domestic	636,762,457		522,246,642
	918,688,774		867,890,899
OTHER INCOME			SCHEDULE– N
Misc. Income	420,573		1,018,275
Profit on Sale of Assets	14,831		-
Sundry Balance Written Back	289,265		-
	724,669		1,018,275
RAW MATERIAL CONSUMED			SCHEDULE –O
Opening stock of Raw materials 21,638,452		22,672,991	
Purchase of raw materials 146,187,559		244,373,922	
Add: Purchase of Raw Cotton -		18,785,071	
	167,826,011	285,831,984	
Less: Closing stock of raw materials 29,770,577		21,638,452	
Raw material consumed	138,055,434		264,193,532
Add: Purchase of finished and semi-finished goods	573,155,629		336,158,722
	711,211,063		600,352,254



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

PARTICULARS	AS AT 31.03.2011 (RS.)	AS AT 31.03.2010 (RS.)
<u>MANUFACTURING EXPENSES</u>		SCHEDULE –P
Consumables	31,898,779	30,454,556
Dyeing & Finishing	51,039,118	63,183,483
Wages	30,823,551	29,961,482
Knitting Charges	22,669,811	17,051,451
Power & Fuel	25,362,200	25,099,055
	161,793,459	165,750,027
<u>PERSONNEL EXPENSES</u>		SCHEDULE –Q
Director's Remuneration	1,200,000	1,697,473
H.R.A.to Director	-	136,860
Gratuity	-	37,132
Salary	14,740,742	14,216,215
Contr. to PF, ESI etc.	2,238,572	2,833,476
Worker's Welfare, Bonus, LWW, L.T.C. etc.	347,974	1,257,234
	18,527,288	20,178,390
<u>OFFICE & ADMINISTRATIVE EXPENSES</u>		SCHEDULE –R
Repair & Maintenance	4,135,555	4,530,442
<u>Auditors Remuneration</u>		
- Audit Fees	39,000	39,000
- Tax Audit Fees	11,000	11,000
Telephone & Telex	741,445	825,002
Printing & Stationery	639,940	756,387
Insurance Charges	582,833	727,496
<u>Traveling & Conveyance</u>		
- Directors (Foreign)	1,186,670	1,850,765
- Directors (Domestic)	541,912	829,676
-Others	2,060,309	2,776,229
Charity and Donation	4,551	2,500
Vehicle Running Expenses	202,409	269,952
Legal & Professional	716,141	1,033,569
Fee & Taxes	146,395	92,724
Misc. Expenses	793,194	1,404,695
Courier Charges	1,374,432	1,574,294
Share Issue Expenses	11,601	-
Rent Paid for showrooms	1,270,000	1,515,472
Rent Paid for Factory & Office Building	2,644,800	2,264,575
	17,102,187	20,503,778
<u>FINANCIAL EXPENSES</u>		SCHEDULE –S
Bank Charges & Commission	4,041,558	6,977,905
Bank Interest	20,577,178	15,839,066
	24,618,736	22,816,971



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

PARTICULARS		AS AT 31.03.2011 (RS.)		AS AT 31.03.2010 (RS.)
<u>SELLING & DISTRIBUTION EXPENSES</u>				<u>SCHEDULE –T</u>
Commission (Domestic)		976,214		1,488,549
Commission (Foreign)		181,480		-
Export Expenses		800		128,595
Packing Expenses		5,655,001		6,913,296
Rebate & Discount (Others)		16,468,663		21,826,232
Rebate & Discount (Quality Claim)		600,336		1,762,893
Sale Promotion & Exhibition		974,417		1,494,208
Shipping & Freight		9,299,996		7,286,974
		34,156,907		40,900,747
<u>INCREASE OR DECREASE IN STOCK</u>				<u>SCHEDULE –U</u>
Closing stock of WIP	256,647,699		160,900,630	
Closing stock of finished goods	35,760,295	292,407,994	57,769,428	218,670,058
Less:				
Opening stock of Work-in-Process	160,900,630		151,634,519	
Opening stock of finished goods	57,769,428	218,670,058	39,989,389	191,623,908
Decrease/(Increase in stock)		73,737,936		27,046,150

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****SCHEDULE- V****1. ACCOUNTING POLICIES****(a) Basis of Accounting :**

The accounts of the Company are prepared on accrual basis under the historical cost convention and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the disclosure requirements of Schedule VI to the Companies Act, 1956.

(b) Revenue Recognition:

- (i) Sale is recognized on despatch 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.

(c) 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 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 profit and loss account 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.

(d) Fixed Assets:

Fixed Assets are stated at historical cost less accumulated depreciation. The company has capitalized all costs relating to acquisition and installation of fixed assets. No borrowing Costs have been capitalized during the year.

(e) Depreciation:

Depreciation for the year is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(f) 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.

(g) Foreign Currency Conversion/Translation

- (i) The export sales are converted at the exchange rates prevailing on the date of custom clearance of export bills. The fluctuations in the exchange rates are accounted for as and when the payment is received and the amount is credited/ debited to the respective Sale Account.
- (ii) In respect of export bills remaining unrealized at the year end against which the payments received in the subsequent years the difference arising thereon is recognized as difference in exchange rates under the head misc. income/expenses.
- (iii) The total sales are inclusive of export incentives and rebate & discounts and rebate of Rs.16,468,663/- (Previous Year Rs. 21,826,232/-) has been shown separately under selling expenses in Profit and Loss account.



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

2. Contingent Liabilities not provided for

(Rs. In Lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
(a) Letter of Credit Outstanding	97.17	12.70
(b) Bank Guarantees Outstanding	2.00	NIL
(c) Bill discounting with bank against irrevocable Letter of Credit	117.78	NIL

3. (a) Sales tax/ VAT liability has been provided for as per the return filed. According to our view there is no other liability in addition to the liability provided but in case any additional liability arises at the time of assessment, the same shall be provided at that time.
- (b) Provision for Income Tax has been made in the Profit & Loss Account on the basis of actual tax liability as per the Income Tax Act, 1961. Deferred Tax Liability has been calculated on the basis of timing difference as per the provisions of AS-22.

4. **Impairment of Assets:-** An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss will be charged to the profit and loss account in the year in which an assets is identified as impaired.

5. Party's balances (under Debtors, Creditors and Advances) were subject to confirmation, if any. However, subsequently, the Company got the confirmations after close of financial year which are in line with the Audited accounts.

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

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

8. Payment to Auditors include : -

(Rs. In Lacs)

Particulars	As at 31.3.2011	As at 31.3.2010
Audit Fee	0.39	0.39
Tax Audit Fee	0.11	0.11
Total	0.50	0.50

9. The paid up Share Capital of the Company includes 12,85,000 equity shares of Rs. 10/- each fully paid up in consideration other than cash issued in the year 1993-94. The Paid up Share Capital of the Company as at 31.03.2011 also includes 2,609,495 fully paid Bonus Shares of Rs. 10/- each issued to the Members of Company in the ratio of 7 (Seven) Bonus equity share of Rs. 10/- (Rupees Ten) for every 20 (Twenty) existing fully paid equity share of Rs. 10/- (Rupee Ten). The said Bonus Shares were listed on BSE in the month of March, 2011.

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

11. The provision created in the preceding financial year for bad & doubtful debts, un recoverable advances & export incentives, has been adjusted during the year under review and the excess provision has been written back amounting to Rs. 265,032/-.

12. Earning per Share (EPS)

The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Accounting Standard (AS)-20 on "Earning per Share" issued by Companies (Accounting Standards) Rules, 2006. A statement on calculation of Basic & Diluted EPS is as under:

	2010-11	2009-10
Profits attributable to the Equity Shareholders	Rs. 11456143	Rs. 11112037
Basic and Weighted Average No. of Equity Shares outstanding during the year	10065195	10065195*
Basic EPS	1.14	1.10*
Diluted EPS	1.14	1.10*
Nominal Value per Share	Rs. 10/-	Rs. 10/-

*2,609,495 equity shares were allotted in February, 2011 as bonus issue in the ratio of 7 Bonus Equity shares for every 20 existing fully paid equity shares. As per AS-20 on "Earning Per Share" since the bonus issue is an issue without consideration, the issue is treated as if it has occurred at the beginning of the Financial year. The EPS has been calculated in accordance with Accounting Standard AS-20. The Basic and diluted EPS for the Financial Year ended March 31, 2010, without the Bonus issue effect was Rs. 1.49 per share.

13. Segment Reporting

The Company is mainly engaged in the business of manufacturing of textiles consisting of fabric and garments. Considering the nature of the business and financial reporting of the company, the company has only one segment viz Garments as reportable segment. The company operates in domestic and export segment geographically. The sales for both is separately given. But due to the nature of business the assets / liabilities and expenses for these activities can not be bifurcated separately. Domestic Sales consist sales made in different parts of India. Export Sales consist exports made



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

to Germany, Switzerland, USA, U.K., Netherland and other countries of European Union (EU). The Export sales and Domestic sales are as under:

	2010-11 (Rs.)	2009-10 (Rs.)
Sales -Export	281,926,317	345,644,257
Sales-Domestic	636,762,457	522,246,642

14. Investments

Particulars	2010-11	2009-10
Investment in shares , etc.	Nil	Nil

The company has not carried out any investment activities during the year . However, in the year 2010-11, the Company sold 340000 shares at a price of Rs 7/- per share of Bhandari Export Industries Limited . This amount of investment had earlier been written off in the financial year 2003-04, duly approved by the Board & Shareholders, due to the reason that the Company Bhandari Export Industries Limited was under the BIFR's/AAIFRs purview and intrinsic value of investments in the shares of that company had reduced to nil. As a result of the Order of Hon'ble BIFR the paid up share capital of said Company was reduced to 10%. Vide Hon'ble AAIFR's order dated 07.09.2010, the Company Bhandari Export Industries Limited came out of BIFR's purview. As a result, the Investment of Rs 34,000,000 comprising of 3,400,000 equity shares of Rs. 10/- each in the said Company written off in the year 2003-04 , reduced to Rs 3,400,000 comprising of 340,000 equity shares of Rs. 10/- each after Hon'ble BIFR/AAIFR order. Accordingly, the amount of Rs. 23.80 Lacs has been reflected in the Profit & Loss Account for the year ended 31st March, 2011.

15. Deferred Tax Liability

As per requirements of the Accounting standard -22, the company has created deferred tax liability for the year of Rs. 280,600/- (previous year 449,400/-) which consists of the following:

PARTICULARS	At the beginning of the Year	Charged during the year	At the close of year
Timing Difference on account of			
-Depreciation	17,110,058	280,600	17,390,658
-Others	0	0	0
-Net Deferred Tax Liability	17,110,058	280,600	17,390,658

16. Security Provided To The Banks , Financial Institutions

With respect to Secured Loans mentioned in Schedule C , for Term loans(a, b , c of Schedule C), the first charge on the fixed assets is given to the lending bank . Second charge on Current Assets has been given to lending bank on pari passu basis. Working capital limits (g, h, I of Schedule C) are secured by 1st charge on all stocks , consisting of Raw material , Work in process, finished stock, stores & spares , goods lying with fabricators , goods in transit , lying on docks , book debts and all other current assets of the company , both present & future . Extension of charge on entire fixed assets of the company also given to the lending bank on pari-passu basis. Car loans (d,e,f of Schedule C) are secured by way of hypothecation of respective cars to respective Banks. All the credit facilities are guaranteed by personal guarantee of the Managing Director . In Schedule C, a,b,c,g,h and i are also collaterally secured by Equitable Mortgage of land and building of M/s Bhandari Knit Exports.

17. Micro, Small and Medium Industries:-

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

18. Related Party Disclosure

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

Particulars	Key Management Personnel	Enterprises over which KMP is able to exercise Significant influence	Total (Amt. in Rs.)
(1)	(2)	(3)	(4)
Purchase of Goods/Job work	NIL	281,147,352	281,147,352
Sale of Goods / Job Work	NIL	188,685,173	188,685,173
Managerial Remuneration	1,290,000	NIL	1,290,000
Rent	NIL	2,884,800	2,884,800

Note :-

1. Associates : Bhandari Knit Exports
2. Key Management Personnel : Sh. Nitin Bhandari
3. Enterprises over which KMP is able to exercise Significant influence : M/s Bhandari Knit Exports



Bhandari Hosiery Exports Limited

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19. Leases

The rental agreements entered into by the Company are cancellable in nature without any notice. Hence, Company has debited the rent paid for use of landed property to the Profit and Loss Account and AS-19 has been duly complied to the extent applicable to the Company. Moreover, according to AS-19, the payment of rent does not give rise to any right to acquire the ownership rights over the assets under consideration.

20. Managerial Remuneration includes:

	Year	Amount in Rs.
	2010-11	Year 2009-10
Salary	1,200,000	1,697,473
Perquisites	90,000	178,410

21. Information pursuant to Para 3 & 4 of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) is as under: -

a) Capacities, Production, Turnover and Stocks

(i) Licensed and Installed Capacities

Hosiery Garments

Installed Capacity 20,40,000 Pcs Per Annum

(As Certified by the Management and being technical matter not verified by the Auditors)

(ii) Production, Purchase and Turnover

Particulars	Unit	Year ended 31st March	Production	Purchases	Turnover	Value Rs.
Hosiery Garments	Pcs	2011	1289941	733356	2106275	572659159
	Pcs	2010	1815950	92768	1908577	473319117
Hosiery Others	Kgs .	2011	NIL	2113870	1444821	346029614
	Kgs	2010	NIL	3394701	2048371	394571782

(iii) Closing Stock of Finished Goods and Raw Materials

Particulars	Year ended 31st March	Quantity Pcs./Kgs.	Value Rs.
a) Hosiery Garments	2011	189530	34873520
	2010	272508	56954172
b) Raw Material (Yarn)	2011	150760	29770577
	2010	156223	21340030

b) Raw Material Consumed

(a) Cotton Yarn	2011	Kgs	834871	133636243
	2010	Kgs	1656694	205361928
(b) Hosiery Garments	2011	Pcs	733356	211683968
	2010	Pcs	92768	1505361

c) Value of Imports Calculated on C.I.F. Basis

	2011 (Rs.)	2010 (Rs.)
(i) Stores, Spares, Needles, Labels, Packing Material, Leather goods etc.	6631138	9592050

d) Expenditure in Foreign Currency

(a) Travelling and Conveyance	1746226	3184909
(b) Quality claim, rebate & discount etc.	600336	2245019

e) Foreign Exchange Earnings

(a) FOB Value of Exports	237670732	297077182
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(f) The Value of Consumption of Raw Materials and Stores

Particulars	Year ended 31st March	Raw Material	% age	Stores	% age
a) Imported	2011	NIL	NIL	6631138	20.79
b) Indigenous	2011	711211063	100	25,267,641	79.21
a) Imported	2010	NIL	NIL	9592050	31.50
b) Indigenous	2010	600352254	100	20862506	68.50

Schedule A to V form an integral part of Balance Sheet and Profit & Loss Account and have been duly applicable.



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

Additional Information as required under Part IV of Schedule VI of the Companies Act,1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I Registration Details																						
Registration No.				1	3	9	3	0	State Code								1	6				
Balance Sheet Date	3	1	-	0	3	-	1	1														
	Date		Month				Year															
II. Capital Raised During the year (Amount in Rs. Thousands)																						
Public Issue						N	I	L	Right Issue							N	I	L				
Bonus Issue				2	6	0	9	5	Private Issue							N	I	L				
III. Position of Mobilisation and Development of Funds (Amount in Rs.Thousands)																						
Total Liabilities			4	1	5	7	5	5	Total Assets			4	1	5	7	5	5					
SOURCE OF FUND																						
Paid-up Capital			1	0	0	6	5	2	Reserves & Surplus			1	1	3	0	2	3					
Loans Fund			1	8	4	6	9	0	Deferred Tax Liabilities				1	7	3	9	0					
APPLICATION OF FUNDS																						
Net Fixed Assets			1	1	0	7	8	6	Investment	N	I	L										
Net Current Assets			3	0	4	9	6	9	Miscellaneous Expenditure	N	I	L										
Accumulated Losses						N	I	L														
IV. Performance of Company (Amount in Rs.Thousands)																						
Total Turnover			9	1	9	4	1	3	Total Expenditure			9	0	1	9	4	8					
Profit before Tax				1	7	4	6	5	Profit after Tax				1	1	4	5	6					
Earning Per Share (Rs.)					1	.	1	4	Dividend Rate						N	I	L					
V.Generic Names of three principal Products/Services of Company (As per Monetary Terms)																						
Item Code No. (ITC Code)	6	1	0	9	1	0	0	0														
Production Description	M	A	N	U	F	A	C	T	U	R	E		A	N	D		E	X	P	O	R	T
	O	F		T	-	S	H	I	R	T	S											

For Vipan Kumar Aggarwal & Co.

Chartered Accountants

Sd/-

(Vipan Kumar Aggarwal)

Proprietor

Membership N. 081198

Sd/-

(Surinder Kumar)
Chief Financial Officer

Sd/-

(Gurinder Makkar)
Company Secretary

Sd/-

(R.C. Singal)
Director

Sd/-

(Nitin Bhandari)
Chairman & Mg.
Director

Place : Ludhiana

Date : 27.08.2011



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

CASH FLOW STATEMENT FOR THE YEAR 2010-2011

A) CASH FLOW FROM OPERATING ACTIVITIES	CURRENT YEAR	PREVIOUS YEAR
Net Profit before Tax and Extraordinary items	174.65	172.16
Adjustment For :		
Depreciation after written back	79.96	82.37
Interest Received	-6.51	-10.18
Interest and Financial Expenses	246.19	228.17
Adjustment against Reserves and Surplus	2.65	-66.91
Operating Profit before Working Capital Changes	496.94	405.61
Adjustment For :		
Trade and other receivables	266.52	-166.39
Increase decrease in inventories	-837.86	-248.96
Increase decrease in Trade Payables	735.83	18.92
Cash Generated from Operations	661.43	9.18
Less Interest Paid	246.19	228.17
Less Direct Tax Paid	57.28	56.54
Cash flow before extraordinary items	357.96	-275.53
Extraordinary items	0.00	-
Net Cash from Operating Activities	357.96	275.53
B) CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	93.32	36.48
Sale of fixed Assets	10.35	0.00
Interest received	6.51	10.18
Realisation from Investments	23.80	-
Net Cash from Investing Activities	-52.66	-26.30
C) CASH FROM FINANCING ACTIVITIES		
Increase in Bank Borrowing	4.29	316.83
Repayment of Short Term Borrowings	-	-
Repayment of Unsecured Loan if any	-	-
Net Cash from Financing Activities	4.29	316.83
D) Net Increase or decrease in Cash and Cash equivalents (A+B+C)	309.59	15.01
Cash & Cash equivalents (Opening Balance)	120.33	105.32
Cash and Cash equivalents (Closing Balance)	429.92	120.33

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

Sd/-

(NITIN BHANDARI)

Chairman & Managing Director

PLACE : LUDHIANA

DATED : 27.08.2011

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of **Bhandari Hosiery Exports Limited** for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement of the Bombay Stock Exchange Limited and is based on and is in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company Covered by our report of even date of the Members of the Company.

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

Sd/-

(Vipan Aggarwal)

Proprietor

(Membership No. 081198)

Place : Ludhiana

Dated : 27.08.2011



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

Dear Shareholder,

RE: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. All you have to do is to register your e-mail id with your Depository Participant (DP with whom you maintain your Demat Account) to receive communication through electronic mode.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents / notices including Annual Report and those covered under Section 219 of the Companies Act, 1956 (the Act) read with Section 53 of the Act ("these documents") to all shareholders through electronic mode to the registered e-mail addresses of the shareholders.

In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent .

However, if you hold the shares in physical form, then you may register your E-mail ID with Registrar & Transfer Agent of the Company by sending a letter under your Registered Signature at the below mentioned address of Registrar & Transfer Agent:

Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase –II
Near Batra Banquet Hall
New Delhi- 110028
Phones: 011- 41410592-94, Fax: 011- 41410591
EMAIL: :- delhi@linkintime.co.in ; rajan.pk@linkintime.co.in

Please note that these documents will also be available on the Company's website: www.bhandariexport.com. Any physical copies of the same will also be available at the Registered Office in Ludhiana for inspection during office hours.

Please note that as a shareholder, you are entitled to receive all these documents free of cost upon receipt of a requisition from you in physical form.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success

Thanking You
Yours faithfully

For BHANDARI HOSIERY EXPORTS LIMITED

NITIN BHANDARI
Chairman & Mg. Director



Bhandari Hosiery Exports Limited

(A W.R.A.P., BSCI and C-TPAT Certified Company)

BHANDARI HOSIERY EXPORTS LIMITED

Regd. Office : Bhandari House, Village Meharban, Rahon Road, Ludhiana-141 007 (Punjab)

PROXY FORM

I/We
of
being a Member/Members of **BHANDARI HOSIERY EXPORTS LIMITED** hereby appoint
..... of
or failing him/her of
as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 18TH Annual General Meeting of the Company to be held on Monday, the 26TH day of September, 2011 at 9.00 A.M. at the Registered Office of the Company or at any adjournment thereof.

for OFFICE USE ONLY

Proxy No. :

Folio No. :

* DP ID

* Client ID

No. of Shares :

Signature

Affix
Re. 1/-
Revenue
Stamp

Notes :

- (a) The form should be signed across the revenue stamp as per specimen signature.
- (b) The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
- * Applicable for investors holding shares in electronic form.

BHANDARI HOSIERY EXPORTS LIMITED

Regd. Office : Bhandari House, Village Meharban, Rahon Road, Ludhiana-141 007.

ATTENDANCE SLIP

(ATTENDANCE SLIP to be filled in and handed over at the entrance of the meeting hall)

Full Name of the attending member

Regd. Folio No.

* DP ID * Client ID

No. of Shares held

Full Name of Proxy (In BLOCK LETTERS)
(If attended by Proxy)

SIGNATURE OF THE MEMBER (S) OR PROXY/PROXIES PRESENT

I hereby record my presence at the **EIGHTEENTH ANNUAL GENERAL MEETING** held on Monday, the 26TH day of September, 2011 at 9.00 A.M. at the Registered Office of the Company

* Applicable for investors holding shares in electronic form.

Bhandari Hosiery

**INNER AND OUTER VIEWS OF “BHANDARI HOSIERY”
SHOWROOMS/ RETAIL OUTLETS**





BHANDARI HOSIERY

FACTORY OUTLET



If Undelivered, Please Return to:
BHANDARI HOSIERY EXPORTS LIMITED
Regd. Office: Bhandari House, Village Meharban,
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