

# **BHANDARI HOSIERY EXPORTS LIMITED**

( A GOVT OF INDIA RECOGNISED EXPORT HOUSE)

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

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

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

Corporate Identification No. / CIN: L17115PB1993PLC013930

TO

08.10.2016

**BSE LIMITED**

**FLOOR 25, FEROCZE JEEJEEBHOY TOWERS**

**DALAL STREET ,**

**MUMBAI- 400001**

**(PHONES: 022- 22721233-34 FAX:22722082, 22722037, 22723719, 22722039)**

**REG: REGULATION 34(1) – ANNUAL REPORT OF THE COMPANY FOR F.Y.  
2015-16 APPROVED AT ANNUAL GENERAL MEETING HELD ON  
29.09.2016**

**DEAR SIR,**

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015, please find attached herewith Annual Report of the company for the year 2015-16, which was approved and adopted in the annual general meeting held on 29.09.2016, as per the provisions of the Companies Act, 2013.

Kindly acknowledge the receipt of the same and take on record.

**Thanking You**

**Yours Faithfully**

**For Bhandari Hosiery Exports Limited**

  
**GURINDER SINGH MAKKAR**  
**Company Secretary**



**BHANDARI  
HOSIERY  
EXPORTS  
LIMITED**

**23RD  
ANNUAL REPORT  
2015-16**

**GROWTH THAT TAKES UPWARDS**



**ADDING COLOURS TO LIVES BY  
MODERN DYEING AND FABRIC  
PROCESSING & FINISHING**





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**BHANDARI**  
Hosiery Exports Limited

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

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





## CORPORATE INFORMATION



### **BANKERS**

State Bank of India  
IFB Branch, Golden Tower  
Dholewal Chowk, GT Road  
Ludhiana-141003

### **REGISTERED OFFICE & WORKS**

**BHANDARI HOSIERY EXPORTS LTD.**  
Bhandari House, Village Meharban, Rahon  
Road, Ludhiana-141007  
Punjab INDIA  
Phones-+91 88720-16410  
Fax: +91-161-2690394  
Email: [bhandari@bhandariexport.com](mailto:bhandari@bhandariexport.com)  
CIN : L17115PB1993PLC013930

### **INDEPENDENT AUDITORS**

M/S Vipin Kumar Aggarwal & Co.  
SCO 15-16, 3<sup>rd</sup> Floor, Jhandu Towers, Miller  
Ganj, GT Road  
Ludhiana-141003 Punjab

### **WEBSITE**

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

### **COMPANY SECRETARY**

Mr. Gurinder Singh Makkar

### **REGISTERAR AND SHARE TRANSFER AGENTS**

M/S Link Intime India Pvt Ltd.,  
44, Community Centre, 2<sup>ND</sup> Floor, Naraina  
Industrial Area Phase- I, Near PVR  
Naraina, New Delhi -110 028,  
EMAIL: [DELHI@LINKINTIME.CO.IN](mailto:DELHI@LINKINTIME.CO.IN),  
PHONES: 011- 41410592-94,  
FAX: 011- 41410591

### **KEY MANAGERIAL PERSONNEL**

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

### **ISIN**

INE474E01029





## BHANDARI HOSIERY AT A GLANCE

FULLY INTEGRATED BUSINESS MODEL	<b>Design&gt;Fabrics&gt;Garments</b>
FABRICS DIVISION	<b>10 tonnes Per Day Fabric Dyeing Capacity</b> <b>Open width and tubular width</b>
GARMENTS DIVISION	<b>Inhouse Garments Division for exports and domestic sales.</b>
LOWEST UTILITY CONSUMPTION IN THE INDUSTRY	<b>Lowest water, steam and power consumption due to modernized machinery</b>
SPECIALIZED FABRICS	<b>Viscose, Lycra and Blends</b>
FIT FOR FAST CHANGING FASHION WORLD	<b>Fast delivery turnaround time</b>

### Strong Global & Domestic Clientele

GLOBAL BRANDS			
DOMESTIC BRANDS			



BHANDARI HOSIERY EXPORTS LIMITED  
LUDHIANA (PUNJAB) INDIA

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## HIGHLIGHTS OF FINANCIAL YEAR 2015-16



Revenues of  
Rs 19869  
lacs, up 59%



Net Profit of  
Rs 407  
lacs, up  
86%



Fabric Dyeing Capacity  
10 tons per day as  
expanded

# BUSINESS VERTICALS - FABRICS & GARMENTS

## PRODUCTS PROFILE

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### FABRICS

- **Circular Knitted Fabrics**

- Natural
- Synthetic

- **Open & Tubular width Fabrics**

- **Specialised Finishes**

- Teflon
- Stain resistance
- Viscose
- Lycra

### GARMENTS

- **Women's Wear**

- Tees
- Leggings

- **Men's Wear**

- T-shirts
- Sweat Shirts
- Pullovers
- Polo

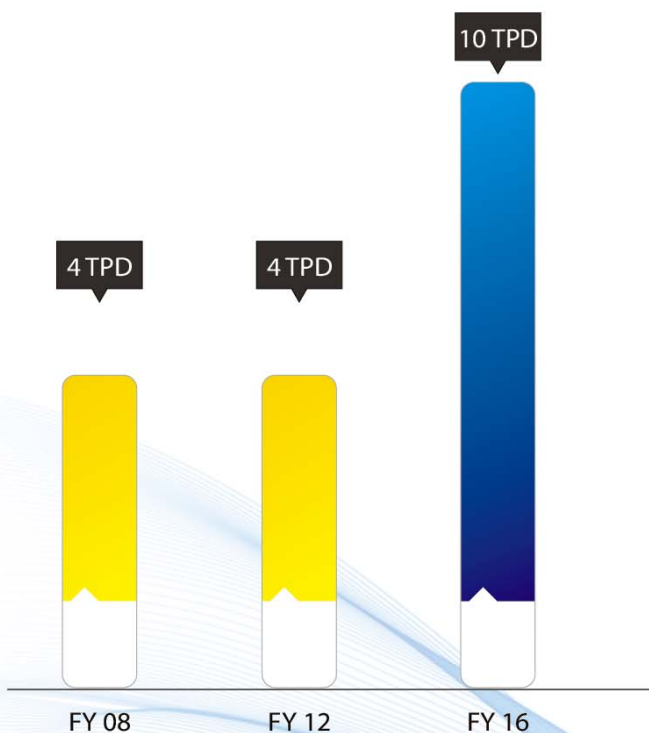
- **Kids Wear**



# EXPANSION



Manufacturing Capacity (Tons Per Day)



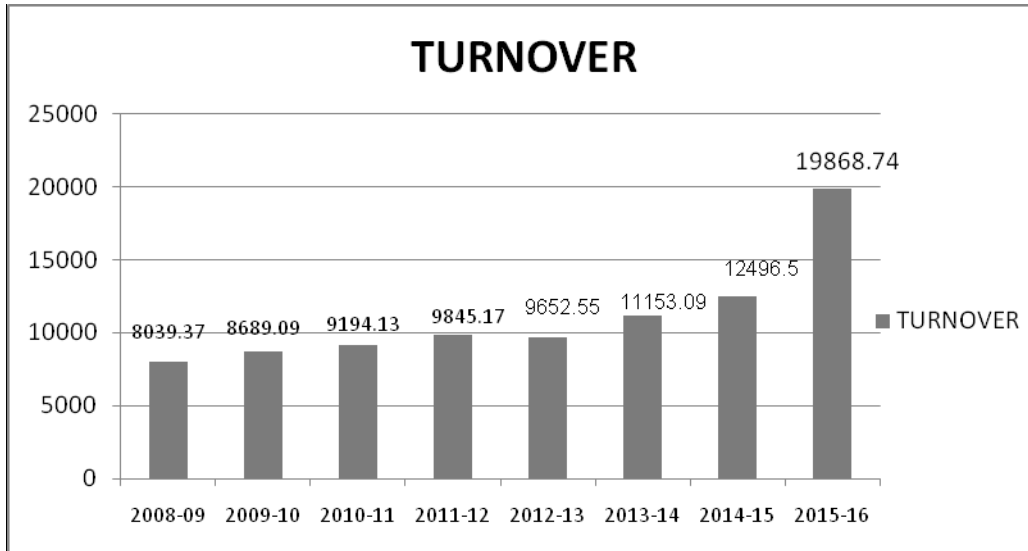
- **Expanded Dyeing & Processing capacity from 4 Tons Per Day to 10 Tons Per Day**
- **Latest equipments / technology to improve efficiency with many advantages such as;**
  - Enable to process high quality / value fabrics like lycra , viscose
  - Reduces water & chemical consumption significantly
-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



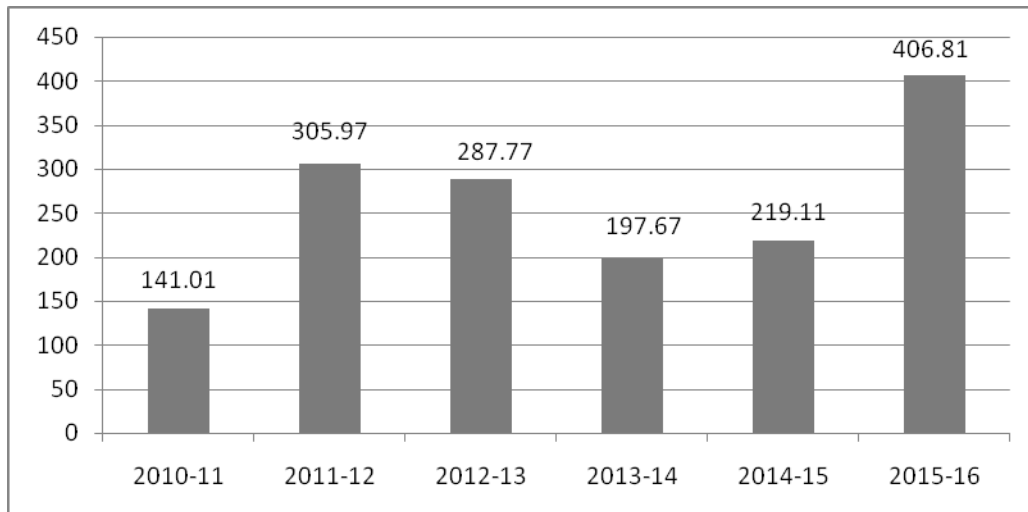


## FINANCIAL PERFORMANCE

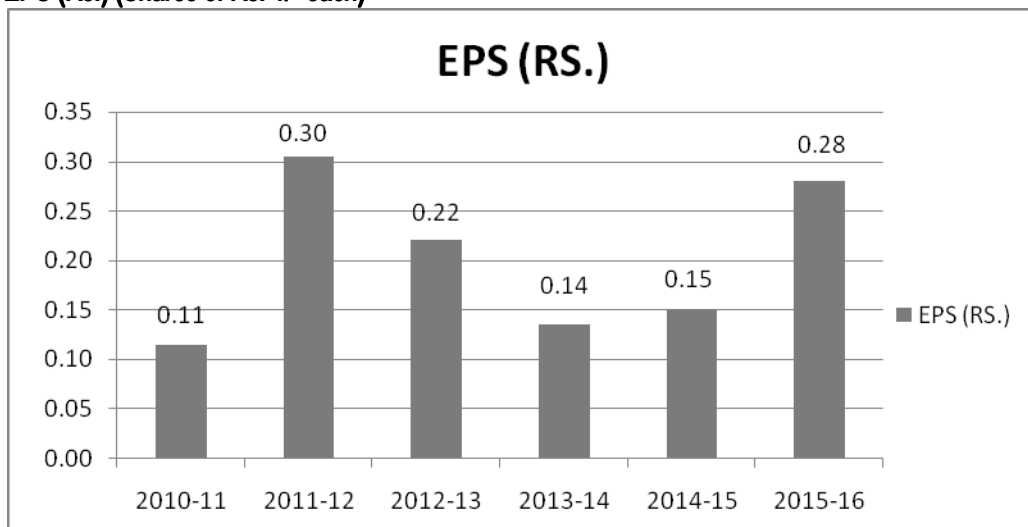
### Turnover (Rs. in Lacs)



### PAT (Rs. in Lacs)



### EPS (Rs.) (Shares of Rs. 1/- each)





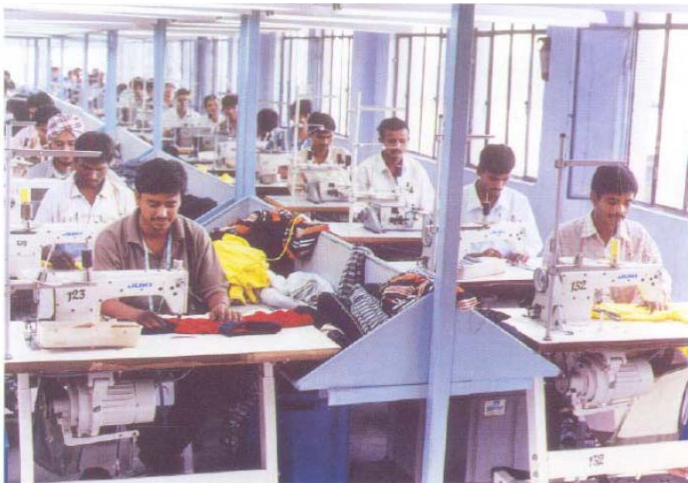
## Bhandari Hosiery Exports Limited

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

**FROM KNITTING TO FINAL GARMENTING, BHANDARI HOSIERY HAS ALL THE SOLUTIONS AT ONE PLACE.**



BEEN HERE IS ONE OF OUR IMPORTED CIRCULAR KNITTING MACHINES WHERE EXQUISITE FABRICS OF VARIOUS TEXTURE ARE DEVELOPED AND PRODUCED. WE HAVE INSTALLED MOST ADVANCED IMPORTED CIRCULAR KNITTING MACHINES FROM WINTER & CO (GERMANY), DRUGO (ITALY), JUMBECCA (SPAIN) AND TERROT (GERMANY).







## BOARD OF DIRECTORS



**MR. NITIN BHANDARI**  
(CHAIRMAN & MG. DIRECTOR )  
DIN-01385065



**MR. VIKAS NAYAR**  
NON-EXECUTIVE DIRECTOR  
DIN-00071047



**MR. ASHISH THPAR**  
INDEPENDENT DIRECTOR  
DIN-00077281  
(Resigned w.e.f. 12.08.2016)



**MS. MANMEET SIKKA**  
INDEPENDENT/ WOMAN DIRECTOR  
DIN-07135079



**MR. ARUN KUMAR OBEROI**  
ADDITIONAL / INDEPENDENT DIRECTOR  
DIN-01170728  
(Appointed w.e.f. 22.07.2016)



## CHAIRMAN & MG. DIRECTOR'S MESSAGE

**Dear Shareholders,**

I have great pleasure in presenting the Twenty Third Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016. In today's fluid global economic scenario, India is somewhat better placed among emerging economies. The Union Budget 2016-17 has given a boost to the critical areas of agriculture, Textiles, education, rural development and infrastructure and road sector. That takes us a step closer in the direction of an economic recovery. As regards Indian economy, after years of diminutive growth the reform momentum has picked up in India. The Indian economy grew at 7.6 per cent in 2015-16 due to improvement in the performance of both services as well as manufacturing sectors. The government expects it to expand at above 8% in 2016-17.



India's overall textile exports had remained almost flat at \$40 billion in 2015-16 from \$41.6 billion in the previous financial year, a result of sluggish economic conditions globally. It also fell short of the year's target of \$47.5 billion set by the government. With a host of incentives and a Rs 6,000 crore package announced in the recent to boost textile and apparel exports, the government has set a higher target for year 2016-17.

Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15-16 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively. Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. Foreign direct investment (FDI) in textile sector increased to US\$ 1,587.8 million in FY15-16 from US\$ 1,424.9 million in FY14-15. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). India's RMG exports to the world in year 2015-16 were to the tune of US\$ 16997.2 million, which is up by one per cent as compared to the same period of the previous financial year. During the year 2014-15, India's apparel exports were to the tune of USD 16832.2 million.

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

Despite challenging global and Indian scenario, your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2015-16, your Company was able to achieve turnover of Rs. 19868.75 Lacs as against Rs. 12496.50 Lacs in the previous year, showing a substantial increase of 59% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2016 has been Rs.406.81 Lacs as against Rs. 219.11 Lacs in the previous year showing an increase of 85.66% over the previous year. The Exports of the Company for the financial year ended 31<sup>st</sup> March, 2016 were to the tune of Rs. 798.76 Lacs as against Rs. 1390.49 Lacs in the previous year.

The Company has already successfully completed its modernization and expansion of dyeing and fabric division by setting up new Boiler, imported dyeing Machines, imported stenter and open width compacter, Weft Straightener water softening plant, DM Plant, Thermic Fluid Boiler and other fabric division machines and utilities. The Company is now planning further expansion and modernization in fabric processing and finishing and garmenting. The Company is planning further to widen its markets both at domestic levels and at international levels. The long term prospects of the company are good along the growth path.

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





## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of the Company will be held on Thursday, the 29<sup>th</sup> day of September, 2016 at 9.00 A.M. at the Registered Office of the Company at Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016 together with the Reports of the Auditors and Directors thereon.
2. To consider declaration of dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2016.
3. To appoint a Director in place of Sh. Vikas Nayar (DIN 00071047), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

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

### **SPECIAL BUSINESS**

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

**“RESOLVED THAT** Mr. Arun Kumar Oberoi (DIN No. 01170728) who was appointed as an Additional Director (Independent Director) on Board of directors of the Company w.e.f 22.07.2016 pursuant to the provisions of Section 149, 152 and 161(1) of the companies Act, 2013 read with schedule IV, further read with Rule 3 of the Companies (Appointment and Qualification of Directors) rules, 2014 and other applicable provisions and provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company, and is eligible for re-appointment and in respect of whom the company has received a notice u/s 160 of the Companies Act, 2013 (“the Act”) proposing his candidature to the office of Independent Director, be and is hereby appointed as an Independent Director not liable to retire by rotation to hold office for a period upto 31<sup>st</sup> March, 2019 .”

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, further read with Companies (Cost Records and Audit) Amendment Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Khushwinder Kumar and Associates, Cost Accountants (Firm Regn No.000102) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2016-17, amounting to Rs.30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and reimbursement of out of pocket expenses as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

By Order of the Board of Directors

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

Place : Ludhiana  
Dated : 12.08.2016



**NOTES:**

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A statement giving relevant details of the directors seeking appointment/re-appointment under Items No. 2 and 5 of the accompanying notice, as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed herewith.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23<sup>rd</sup> September, 2016 to Thursday, the 29<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting of the Company and payment of dividend, if any, for both physical and electronic segments.
6. Final Dividend of @1% i.e. Rs.0.01 per equity share of Rs. 1/- each has been recommended by the Board of Directors, subject to the approval of the shareholders at the ensuing Annual General Meeting. Subject to the provisions of Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within 30 days of the declaration of same to those Members whose names appear on the Register of Members as on 22<sup>nd</sup> of September, 2016.
7. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Company has transferred all amounts of unclaimed dividend declared for the Financial Year 2006-07 to "The Investors Education and Protection Fund" established by the Central Government, during year 2014-15. There were no other amounts of unpaid dividends pending for transfer to such Fund in the year 2015-16. Further after year 2006-07, the Company has declared the dividends for the year 2014-15 @1% i.e. Rs. 0.1/- per equity share of the face value of Rs. 10/- each. Dividends that remain unclaimed / unpaid for a period of seven (7) years from the date on which they were declared, are required to be transferred to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Companies Act, 1956. Shareholders / Investors who have not encashed their Dividend Warrants, if any, for year 2014-15, are requested to lodge their claims by quoting their respective Folio No./DPClient ID with Company.
10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. The Company has entered into agreements with CDSL and NSDL to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL and NSDL.
12. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to the at the Registered Office of the Company at least 10 days prior to date of Annual General Meeting.
13. The Register of Directors' Shareholdings maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto Annual General Meeting and will be open for inspection during the Annual General Meeting also.
14. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be supplied.
15. Notice of the AGM along with Annual Report 2015-16 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.
16. In view of the circular issued by SEBI, the Electronic clearing Services (ECS/NECS) facility should be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company and its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
17. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
18. The Company declares that its equity shares are listed on the BSE Ltd. (BSE), Mumbai. The Company has paid the annual listing fee upto year 2016-17 to the above stock exchange.
19. Members are requested to furnish their Bank Account details, change of address, e-mail address etc. to the Company's Registrar and Transfer Agents viz . M/S LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.



20. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend and vote at the meeting.
21. The route map of the venue of Annual General Meeting forms part of this Notice and is published elsewhere in the Annual Report of the Company.
22. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agents by sending duly signed request letter quoting their folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).
23. Members may also note that the Notice of the 23<sup>rd</sup> Annual General Meeting and the Annual Report for year 2015-16 will also be available on the Company's website [www.bhandariexport.com](http://www.bhandariexport.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ludhiana for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor@bhandariexport.com](mailto:investor@bhandariexport.com)
24. **Voting for transaction of Business/Voting Through Electronic Means**

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

- (A) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, the Company is pleased to provide members facility to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL)
- (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through electronic voting system or ballot or polling paper at the AGM..
- (C) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (D) The remote e-voting period commences on Monday, September 26, 2016 (9.00 a.m. IST) and ends on Wednesday, September 28, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Thursday, September 22, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (E) Any person, who acquires shares and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut off date i.e. September 22, 2016, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [gurinder@bhandariexport.com](mailto:gurinder@bhandariexport.com). However, if a person is already registered with CDSL for evoting then existing user ID and password can be used for casting the vote.
- (F) Mr. Rajeev Bhambri & Associates, Practicing Company Secretary ( C.P. No. 9491), Ludhiana, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (G) The Scrutinizer after scrutinizing the votes cast at the meeting and through remote evoting, will, not later than 3 days of conclusion of the meeting, make a consolidated scrutinizer's report and submit to the Chairman of the Company. The results declared alongwith the consolidated scrutinizer's report shall be uploaded on the Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com) and [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously will be communicated to the BSE Ltd.
- (H) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 29th September, 2016.

#### **Instructions for E-Voting**

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period commences on Monday, September 26, 2016 (9.00 a.m. IST) and ends on Wednesday, September 28, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Thursday, September 22, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker/Lable/ Mail indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant BHANADRI HOSIERY EXPORTS LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).





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

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

The Board of Directors of the Company at its meeting held on 22.07.2016, had appointed Arun Kumar Oberoi (DIN No. 01170728), as Additional/Independent Director who holds her office upto this Annual General Meeting. Pursuant to provisions of section 161(1) and other applicable provisions of the Companies Act, 2013 and Articles of Association, the Company has received a notice from a shareholder proposing his candidature for the office of Director along with requisite deposit.

Mr. Arun kumar Oberoi aged about 66 years has a rich experience of industry and business including hotels and hospitality, travels, freights, construction, import and export. and he had been a role playing director/major stakeholder in several companies like Mayco Freights and Travels Pvt Ltd, Newport Coffee Company India Private Limited, Orchid Cuisines Private Limited, Kasauli Resorts Pvt. Ltd.. He is presently a Director of Seven Developers Private Limited and Designated Partner in Sky Moon Hospitality & Infrastructure LLP which both are into hotels and construction industry. He has vast experience of construction, cost controls of industry, project implementations, financial management of the industry and business. He is a Matriculate but in view of his rich experience, he is proposed to be appointed as Independent Director. The Company has received from Mr. Arun Kumar Oberoi consent in writing to act as Director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act and a declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements ) Regulations, 2015, alongwith other disclosures. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Arun Kumar Oberoi proposed to be appointed as Independent Director fulfils the conditions specified in the Act and Rules made thereunder and that he is Independent of the management.

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

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

**NOTICE OF INTEREST**

No Director, Key Managerial Personnel or their relatives except Mr. Arun Kumar Oberoi to whom the resolutions relates, is concerned or interested, financially or otherwise, in the above resolution. This statement may also be regarded as a disclosure under SEBI(Listing Obligations and Disclosure Requirements ) Regulations, 2015.

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

The Board of Directors of the Company, on the recommendation of the Audit Committee, has considered and approved the appointment of M/s Khushwinder Kumar and Associates, Cost Accountants (Firm Regn No.000102), who were eligible for being appointed as Cost Auditors of the Company for the financial year 2016-17 at a total remuneration of Rs. 30000/- (Rs. Thirty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses, if any. In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2016-17.

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

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

**By Order of the Board of Directors**  
Sd/-  
**(NITIN BHANDARI)**  
Chairman & Mg. Director

**Place : Ludhiana**  
**Dated : 12.08.2016**



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

INFORMATION PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 REGARDING THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING.		
NAME OF DIRECTOR	MR. VIKAS NAYAR	MR. ARUN KUMAR OBEROI
CATEGORY	(NON-EXECUTIVE DIRECTOR)	(ADDITIONAL/INDEPENDENT DIRECTOR)
DIN	00071047	01170728
DATE OF BIRTH	11.10.1973	04.12.1950
DATE OF APPOINTMENT	29.10.2004	22.07.2016
QUALIFICATION	GRADUATION	MATRICULATION
SHAREHOLDING IN THE COMPANY	NIL	NIL
RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY	NIL	NIL
DIRECTORSHIP/CHAIRMANSHIP IN OTHER PUBLIC COMPANIES	NONE	NONE
DIRECTORSHIP OF PRIVATE COMPANIES/PARTNERSHIPS/LLP	NONE	DIRECTOR- SEVEN DEVELOPERS PRIVATE LIMITED DESIGNATED PARTNER- SKY MOON HOSPITALITY & INFRASTRUCTURE LLP
MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES	NIL	NIL
EXPERTISE	Mr.Vikas Nayyar has the exposure and experience of around 15 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.	Mr. Arun Kumar Oberoi , aged around 66 years as a rich experience of industry and business including hotels and hospitality, travels, freights, construction, import and export. and he had been a role playing director/major stakeholder in several companies like Mayco Freights and Travels Pvt Ltd, Newport Coffee Company India Private Limited, Orchid Cuisines Private Limited, Kasauli Resorts Pvt. Ltd.. he has vast experience of construction, cost controls, project implementations, financial management of the industry and business.
DETAILS OF THE REMUNERATION DRAWN	Refer form MGT-9 to Directors' Report	N.A.
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR AND OTHER DIRECTORSHIPS	Refer Corporate Governance Report forming part of Annual Report	NA (Appointed w.e.f. 22.07.2016)

**By Order of the Board of Directors**

**Sd/-**

**(NITIN BHANDARI)**

**Chairman & Mg. Director**

Place : Ludhiana  
Dated : 12.08.2016



## DIRECTORS' REPORT

To  
The Members,  
BHANDARI HOSIERY EXPORTS LIMITED

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2016

### FINANCIAL RESULTS

(RS. IN LACS)

PARTICULARS	2015-16	2014-15
Turnover	19868.75	12496.50
GROSS PROFIT before interest depreciation and tax	1528.31	802.70
Less: Financial expenses	677.16	376.64
Less: Depreciation and preliminary exp. written off	302.84	126.52
PROFIT BEFORE TAX	548.31	299.54
Less: Provision for tax	-141.50	-80.43
PROFIT AFTER TAX	406.81	219.11
Add: Balance brought forward	1835.06	1633.59
Less : Previous Years amounts transferred	-54.18	
Amount available for appropriation(s)	2187.69	1852.70
Appropriation:		
-Proposed Dividend on Equity shares @ Rs. 0.01/- per Equity Share (i.e. 1%)	14.65	14.65
-Tax on dividend @ 20.36%	2.983	2.983
Balance carried to Balance Sheet	2170.05	1835.06

### PERFORMANCE REVIEW

Your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2015-16, your Company was able to achieve turnover of Rs. 19868.75 Lacs as against Rs. 12496.50 Lacs in the previous year, showing a substantial increase of 59% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2016 has been Rs.406.81 Lacs as against Rs. 219.11 Lacs in the previous year showing an increase of 85.66% over the previous year.

### EXPORTS

The Exports of the Company for the financial year ended 31<sup>st</sup> March, 2016 were to the tune of Rs. 798.76 Lacs as against Rs. 1390.49 Lacs in the previous year.

### SHARE CAPITAL/ SUB-DIVISION OF EQUITY SHARES

During the year under review, the Company has not issued any equity shares/ shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares.

There were no additions/reductions during the financial year 2015-16, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back , conversions etc. or any other changes except for subdivision of one Equity share of face value of Rs. 10/- each into 10 shares of face value of Rs. 1/- each, in accordance with the Special Resolution of the Shareholders of the Company passed on 29.01.2016. As a result the paid up equity share capital of the Company stand sub-divided into 14,65,26,950 equity shares of the face value of Rs. 1/- each. The Authorised Share capital of the Company has been sub-divided to 25 Crore equity shares of face value of Rs. 1/- each totalling into Rs. 25 crore Authorised Share Capital.



## **REVISION IN FINANCIAL STATEMENTS**

The Financial Statement were approved by the Board of Directors in its meeting held on 28<sup>th</sup> May 2016. However to recommend payment of dividend for the financial year 2015-16, the Board of Directors reconsidered and approved the Financial Statements in its meeting held on 22<sup>nd</sup> July 2016. There were no other changes/corrections/revision made to financial results/statements except for giving effect to recommendation and payments of dividends for the year 2015-16.

## **DIVIDEND**

Your directors recommend a dividend of 1% i.e. Rs. 0.01 per Share of face value Rs. 1/- for the year 2015-16, (Previous year 2014-15 @ 1% i.e. Rs. 0.10 per share of face value of Rs. 10/- each.), subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

The Company had declared Interim Dividends in the year 2006-07. The unencashed dividend amount lying unclaimed to the credit of the said Unpaid Dividend Account 2006-07 had already been duly transferred to the Investor Education and Protection Fund. There are no other such amounts requiring transfer to Investor Education and Protection Fund during the year 2015-16.

## **TRANSFER TO RESERVES**

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

## **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **CAPITAL EXPENDITURE**

As at 31st March 2016 the gross fixed assets stood at Rs. 53.64 Crores and net fixed assets Rs. 40.79 Crores. Additions during the year amounted to Rs. 0.43 crores to plant and machinery.

## **FINANCE**

No Fresh long term debt was raised during the year. However, existing term debts to the extent of Rs. 2.53 crores were repaid. The Cash Credit Limits were availed to the extent of Rs. 38.63 Crores during Financial year 2015-16. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

## **DIRECTORS AND KMPs**

### **(i) Appointments**

Mr. Arun Kumar Oberoi was appointed as Additional Director / Independent Director w.e.f. 22.07.2016 to hold office upto the ensuing Annual General Meeting. He is proposed to be appointed as Independent Director, subject to the approval of the Members at the ensuing annual General Meeting for a period upto 31<sup>st</sup> March, 2019.

During the year 2015-16, the appointment of Ms. Manmeet Sikka (DIN 07135079), as Director/Woman Director of the Company in the category of Independent Directors was approved at 22<sup>nd</sup> Annual General Meeting for a period upto 31.03.2019.

Further, the appointment of Shri Nitin Bhandari was as Chairman & Mg. Director and CEO of the Company for a period of 3 years w.e.f. 22.11.2014 was also approved at the 22<sup>nd</sup> Annual General Meeting held on 29.09.2015.

There were no fresh/additional appointments to Board of Directors except for approval to appointments as stated above.

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

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

### **(iii) Resignations**

None of the Directors resigned from Board of Directors of the Company during the year 2015-16. However after the close of Financial Year 2015-16, Mr. Ashish Thapar, Independent Director resigned on 12.08.2016.





**(iv) Declarations by Independent Directors**

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Reg 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company have given declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations.

**(v) Board Evaluation**

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process. A note on the familiarizing programme adopted by the Company for the orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this Report.

Further, a Separate Meeting of the Independent Directors of the Company was held once during the year on 02.11.2015 which also reviewed the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

**(vi) Nomination & Remuneration Policy**

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

**(vii) Board Meetings**

During the year, 10 Board Meetings and 6 Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013.

**(viii) Key Managerial Personnel**

During the year 2015-16, the Company had three Key Managerial Personnel viz. Mr. Nitin Bhandari, Chairman & Managing Director & CEO, Mr. Surinder Kumar, Chief Financial Officer (upto 15.04.2015) and Mr. Gurinder Makkar, Company Secretary. On 15<sup>th</sup> April, 2015, Shri Surinder Kumar resigned and Shri Manoj Kumar was appointed as CFO of the Company in place.

In compliance with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, brief resume of all the Directors proposed to be appointed / re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not directly or indirectly - a) given any loan to any person or other body corporate other than usual advances envisaged for supply of materials if any, b) given any guarantee or provided security in connection with a loan to any other body corporate or person and c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate. The details of loans from Banks/FIs/ Directors, as required are given in Financial Statements and Notes thereto.

**DEPOSITS**

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

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of the Companies Act, 2013 and applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.bhandariexport.com](http://www.bhandariexport.com).

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

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



## **RELATED PARTY TRANSACTIONS**

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

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

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

## **STATUTORY AUDITORS**

M/s Vipin Kumar Aggarwal & Company, Chartered Accountants, the Statutory Auditors of the Company, had been appointed as Statutory Auditors of the Company for a period of 3 years at the last annual general meeting held on 29.09.2015 subject to ratification of their appointment by the members at every annual general meeting. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of the Statutory Auditors. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

## **SECRETARIAL AUDIT**

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

## **COST AUDITORS**

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s Khushwinder Kumar & Associates, Cost Accountants, Ludhiana (Firm Registration No. 00102), as the Cost Auditors of the company for the year 2016-2017 at a remuneration of Rs. 30000/- plus out of pocket expenses. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing AGM.

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

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

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

## **EXPANSION**

The Company has completed expansion and modernization in fabric, dyeing and boiler division. The Company has plans to further expand its fabric dyeing and finishing capacity and also to set up yarn dying within premises as a part of ongoing expansion and modernization programme.

## **AUDITORS' REPORT**

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

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

The Company has in accordance with the applicable provisions of the Companies Act, 2013, appointed M/s Rajeev Bhambri & Associates, Practicing Company Secretary ( C.P. No. 9491), Ludhiana Secretarial Auditors. The Company has appointed M/s Parveen Malhotra & Co., Chartered Accountants, (Membership No. 086625, Firm Registration No. 023396N ) as the Internal Auditors.



## **LISTING OF SECURITIES**

The securities of the Company are listed only on BSE Ltd. (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The Company has paid the Listing Fees to the BSE upto the financial year 2016-17

## **INDUSTRIAL RELATIONS**

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

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

Considering gender equality, the Company has zero tolerance for sexual harassment at workplace. The Company has an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

Sr.	Category	No. of complaints during financial year 2015-16	No. of complaints pending as at end of year 2015-16
1	Child labour/forced labour/involuntary labour	The Company does not hire Child Labour, Forced Labour or Involuntary Labour. <b>No case reported</b>	Not Applicable
2	Sexual Harassment	<b>No case reported</b>	Not applicable
3	Discriminatory employment	<b>No case reported</b>	Not applicable

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions with respect to Corporate Social Responsibility and constitution of CSR Committee were not applicable to the Company for the financial year 2015-16 as the Company was not covered under any of the applicability criteria set under Section 135 and Schedule VII of the Companies Act, 2013 read with as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014. So for the financial year 2015-16, the Company was not required to form Corporate Social Responsibility Committee or to make expenditure in pursuance to Corporate Social Responsibility. However as per the Audited Financial Statements of the Company for the year 2015-16, the provisions of Section 135 read with Schedule VII and Companies (Corporate Social Responsibility) Rules, 2014 of the Companies Act, 2013 has become applicable to the Company with effect from financial year 2016-17. So in accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the Said Act and further read Companies (Corporate Social Responsibility) Rules, 2014, "Corporate Social Responsibility Committee" has been constituted w.e.f. 28.05.2016 consisting of following persons as Members/ Chairman :

SR.	NAME OF THE DIRECTOR	DESIGNATION
1	MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)	CHAIRMAN
2	Ms. MANMEET SIKKA (INDEPENDENT DIRECTOR)	MEMBER
3	MR. VIKAS NAYAR (DIRECTOR)	MEMBER

## **CERTIFICATIONS**

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

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

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

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

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



### **C-TPAT CERTIFICATION**

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

C-TPAT stands for Customs Trade Partnership Against Terrorism and it is just that: a partnership, or relationship, that a company voluntarily builds with customs to ensure the movement of 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/ASSOCIATE COMPANY/JOINT VENTURE**

There is no Subsidiary /Associate Company of the Company.

### **EXTRACT OF ANNUAL RETURN**

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

### **GRATUITY**

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

### **PARTICULARS OF THE EMPLOYEES**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 8.5 lacs per month or Rs. 1.02 Crores per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of the these specified amounts. So this information is NIL.

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

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has designed and implemented a process driven framework for Internal Financial Controls. For the year ended on March 31, 2016, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were tested and no material weakness in their operating effectiveness was observed. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

### **CAUTIONARY STATEMENT**

Statements in this report, describing the Company's objectives, expectations and/or anticipations may be forward looking within the meaning of applicable Securities Law and Regulations. Actual results may differ materially from those stated in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2016 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.





- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Directors, Key Managerial Personnel and senior management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by the Mg. Director & CEO of the Company forms part of this Annual Report. The said code is available at the Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com).

#### **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.

**For and on behalf of the Board of Directors**

**Sd/-**

**(Nitin Bhandari)**

**Chairman & Managing Director**

**Place : Ludhiana**

**Date : 12.08.2016**



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

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:
  - All labour & industrial laws;
  - The Competition Act, 2012;
  - All environmental laws;
  - Textiles (Consumer Protection) Regulations, 1988;
  - Textiles (Development and Regulation) Order, 2001;
  - Textiles Committee Act, 1963;
  - Additional Duties of Excise (Textiles and Textiles Articles) Act, 1978.
  - Indian Boilers Act, 1923

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



- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:-

Sub-division of the Equity shares of the Company from Rs. 10/- to Rs. 1/- and consequently, the paid up equity share capital of the Company was sub-divided from 1,46,52,695 equity shares of Rs. 10/- each to 14,65,26,950 equity shares of the face value of Rs. 1/- each.

Sd/-

**Rajeev Bhambri & Associates**  
**Company Secretary in whole time practice**  
**C.P. No. 9491**  
**Place: Ludhiana**  
**Dated: 12.08.2016**

***Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this Report.***

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**'ANNEXURE 1'**

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

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

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

**Rajeev Bhambri & Associates**  
**Company Secretary in whole time practice**  
**C.P. No. 9491**  
**Place: Ludhiana**  
**Dated: 12.08.2016**



**“ANNEXURE -B” TO BOARD’S REPORT**

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

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

Name	Ratio
Mr. Nitin Bhandari (Chairman & Managing Director)	9.6:1
Other Directors (Non Executive and Independents) (Only Sitting Fee paid)	N.A.
Mr. Gurinder S. Makkar (Company Secretary)	2.8:1
Mr. Manoj Kumar (CFO)	2.4:1

For this purpose, sitting fees paid to the directors has not been considered as remuneration. Non-executive/ Independent Directors are entitled only to sitting fee. The details of remuneration/sitting fee paid are given in Form MGT-9/ Corporate Governance Report.

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

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

\*There was no increase in remuneration of of KMP during the financial year 2015-16. During the year 2015-16, the turnover of the company was Rs. 19868.75 Lacs as against Rs. 12496.50 Lacs in the previous year, showing a substantial increase of 59% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2016 has been Rs.406.81 Lacs as against Rs. 219.11 Lacs in the previous year showing an increase of 85.66% over the previous year.

3. Percentage increase/(decrease) in the median remuneration of employees in the financial year: (10.71)  
4. The number of permanent employees on the rolls of company: 271  
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 1.93%. There was no increase in remuneration of managerial personnel during the year 2015-16. Average increase in remuneration for employees other than Managerial Personnel is in line with the industry peers and is also outcome of market competitiveness.

6. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**II. INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) Details of top ten employee drawing remuneration pursuant to the provisions of Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

Sr. No.	NAME OF EMPLOYEE	DESIGNATION	GROSS REMUNERATION PAID (RS.)	NATURE OF EMPLOYMENT	QUALIFICATION	AGE	EXPERIENCE	DATE OF COMMENCEMENT	LAST EMPLOYMENT	% OF EQUITY SHARES
1	NITIN BHANDARI*	MG. DIRECTOR	1440000	PERMANENT	MBA, LONDON	33	11	23.11.2009	-	17.18
2	ADITI BHANDARI**	VICE PRESIDENT-MARKETING	1140000	PERMANENT	MBA	33	11	26.09.2011	-	NIL
3	KUSUM BHANDARI***	CHIEF MERCHANDISER	888000	PERMANENT	BA	66	32	27.09.2002	-	1.73



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

4	SANDEEP SHARMA	DYEING MANAGER	538065	PERMANENT	M. SC.	40	19	02.07.2015	Richa Industries Ltd.	NIL
5	KAILASH SHARMA C.	CHIEF ENGINEER	472000	PERMANENT	ELE. DIP.	64	45	06.04.2015	Jindal Cottex Ltd.	NIL
6	GURINDER S. MAKKAR	COMPANY SECRETARY	420000	PERMANENT	B.COM, FCS	44	15	30.07.2004	Master Capital Services Ltd.	NIL
7	MONIKA SHARMA	MERCHANDISER	403548	PERMANENT	SR. SEC.	36	5	02.07.2015	Business	NIL
8	SHIV KARAN	FABRIC PROCESSING & FINHSING HEAD	392000	PERMANENT	BA	31	13	04.02.2015	Richa Industries Ltd.	NIL
9	MANOJ KUMAR	CFO	360000	PERMANENT	B.COM	41	18	05.09.2013	Deepak Builders	NIL
10	VIRENDER CHAUDHARY	FABRIC DIVISION HEAD	360000	PERMANENT	SR. SEC.	44	25	01.07.2010	Jain Udhay Fabrics Ltd.	NIL

**Relationship with Directors**

\* Mr. Nitin Bhandari is Managing Director of the Company

\*\* Ms. Aditi Bhandari is wife of Mr. Nitin Bhandari, Mg. Director

\*\*\*Ms. Kusum Bhandari is mother of Mr. Nitin Bhandari, Mg. Director

Except as above, none of the other aforesaid employees is related to any director or manager of the Company.

- (ii) None of the employee who employed throughout the financial year 2015-16, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees ;
- (iii) None of the employee employed for a part of the financial year 2015-16, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month ;
- (iv) None of the employee employed throughout the financial year 2015-16 or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager.

**For and on behalf of the Board of Directors**

**Sd/-**

**(Nitin Bhandari)**

**Chairman & Managing Director**

**Place: Ludhiana**

**Date: 12.08.2016**





**“ANNEXURE-C” TO BOARD’S REPORT**

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

**1. CONSERVATION OF ENERGY**

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

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. The Company has given due attention towards conservation of energy. It not only reduces the cost of production but also helps in conservation of natural resources which are depleting very fast. The Company is constantly looking for savings of energy and trying to conserve energy continuously by modifications or trying alternate means and continuously upgrading technology and work practices. Steps are being taken to conserve energy on a continuous basis. Besides continuing the measures taken in earlier years, following steps were taken during the year 2015-16 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 2015-16:

Measures taken	Saving amount (Rs. In Lacs)	Energy Savings 2015-16 (Units in Lacs)
<ul style="list-style-type: none"> <li>Installation of energy efficient light fittings.</li> <li>Replacement of old &amp; re-wound motors with Energy Efficient Motors</li> <li>Replacement of derated &amp; defective Capacitors,</li> <li>Optimising Water usage in dyeing and reducing load on ETP and power usage.</li> <li>Use of inverters in Unit .</li> </ul>	5.43	0.70

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

1	<b>ELECTRICITY</b>		<b>2015-16</b>	<b>2014-15</b>
	<b>a</b>	<b>PURCHASED UNIT</b>	<b>1953311</b>	<b>991246</b>
		Total Amount	<b>15065142</b>	<b>6399154</b>
		Rate per unit	<b>7.71</b>	<b>6.45</b>
	<b>b</b>	<b>OWN GENERATION THROUGH DIESEL GENERATOR(S)</b>		
		Units produced	<b>289800</b>	<b>388610</b>
		Unit per litre of Diesel	<b>4.41</b>	<b>5.06</b>
		Total Diesel consumed	<b>65670</b>	<b>76776</b>
		Diesel cost	<b>2808706</b>	<b>3818070</b>
		Cost per unit of KWH	<b>9.69</b>	<b>9.82</b>
2		COAL	<b>NIL</b>	<b>NIL</b>
3		FURNANCE OIL	<b>NIL</b>	<b>NIL</b>
4		OTHER INTERNAL GENERATION	<b>NIL</b>	<b>NIL</b>
5	a	HUSK FOR STEAM	<b>27803554</b>	<b>14421204</b>
	b	HUSK FOR STEAM Kg	<b>6159089</b>	<b>2782975</b>
		Rate Per Kg	<b>4.51</b>	<b>5.18</b>
6	a	DIESEL FOR STEAM	<b>163724</b>	<b>40214</b>
	b	Rate per Ltr	<b>42.77</b>	<b>49.73</b>
		<b>Consumption / unit production</b>		
		Production of garments	<b>1300000</b>	<b>1002301</b>
		Electricity Consumed	<b>1.50</b>	<b>0.99</b>
		Husk Consumed	<b>NIL</b>	<b>NIL</b>



## 2. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

Technology absorption, Innovation and Research & Development (R & D) is a continuing Process and a continued emphasis is given on quality improvement and product upgradation.

### 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

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has not imported any technology from abroad. 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)

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 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.

The Management has laid continuous thrust for exploring new markets and as a result, the Company was also able to find some new foreign customers. The position of Foreign Exchange earnings and Outgo for the financial year 2015-16 is as under:

### FOREIGN EXCHANGE EARNING AND OUTGO

(RS. IN LACS)

Sr.	Particulars	2015-16	2014-15
a.	Foreign Exchange Earnings (FOB value of Exports, commission earned)	664.54	1249.50
b.	Foreign Exchange Outgo (CIF value of Imports and expenditure in foreign currency)	69.93	1540.78

For and on behalf of the Board of Directors  
Sd/-

(Nitin Bhandari)

Chairman & Managing Director

Place : Ludhiana  
Date : 12.08.2016



**“ANNEXURE –D” TO BOARD’S REPORT**

**EXTRACT OF ANNUAL RETURN**

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

**FORM NO MGT -9**

**I. Registration and Other Details**

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

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

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

SI No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Knitted Hosiery Garments	2650	25.60
2.	Fabrics	2650	64.50

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

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



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

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

(I) Category - Wise Shareholding as of 31<sup>st</sup> March, 2016.

Category of Shareholders	No. of shares held at the beginning of year (Each of Face Value of Rs. 10/- each)				No. of Shares held at the end of year (Each of Face value of Rs. 1/- each as sub-divided)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) individual / HUF	3474029	0	3474029	23.71	35449780	0	35449780	24.19	0.48
b) Central Govt.	0	0	0	0	0	0	0	0.00	0.00
c) state Govt.	0	0	0	0	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
e) Banks/ FI	0	0	0	0	0	0	0	0.00	0.00
f) Any Others	0	0	0	0	0	0	0	0.00	0.00
<b>Sub -Total (A)(1):</b>	<b>3474029</b>	<b>0</b>	<b>3474029</b>	<b>23.71</b>	<b>35449780</b>	<b>0</b>	<b>35449780</b>	<b>24.19</b>	<b>0.48</b>
<b>(2) Foreign</b>								0.00	0.00
a) NRIs -Individuals	0	0	0	0	0	0	0	0.00	0.00
b) Others - Individuals	0	0	0	0	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0	0	0	0	0.00	0.00
e) Any others	0	0	0	0	0	0	0	0.00	0.00
Sub Total (A)(2):	0	0	0	0	0	0	0	0.00	0.00
<b>Total Shareholding of Promoters (A)= (A)(1) + (A)(2)</b>	<b>3474029</b>	<b>0</b>	<b>3474029</b>	<b>23.71</b>	<b>35449780</b>	<b>0</b>	<b>35449780</b>	<b>24.19</b>	<b>0.48</b>
<b>B. Public Shareholding</b>								0.00	0.00
<b>(1) Institutions</b>								0.00	0.00
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0.00	0.00
b) Banks /FI	0	0	0	0	0	0	0	0.00	0.00
c) central Govt.	0	0	0	0	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
g) FIIs	155000	0	155000	1.06	1420000	0	1420000	0.97	-0.09
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i) others (Specify)		0	0	0		0	0	0.00	0.00
<b>Sub -Total (B)(1):</b>	<b>155000</b>	<b>0</b>	<b>155000</b>	<b>1.06</b>	<b>1420000</b>	<b>0</b>	<b>1420000</b>	<b>0.97</b>	<b>-0.09</b>



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<b>(2) Non -Institutions</b>								0.00	0.00
<b>a) Bodies Corporate</b>								0.00	0.00
i) Indian	1899200	39855	1939055	13.23	6714716	383700	7098416	4.84	-8.39
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
<b>b) Individual</b>								0.00	0.00
i) Individual Shareholders holding nominal share capital upto 1 lakh	1276078	434220	1710298	11.67	21781363	4208100	25989463	17.74	6.07
ii) Individual Shareholders holding nominal share capital in excess 1 lakh	6566964	0	6566964	44.82	63280198	0	63280198	43.19	-1.63
c) others (specify)	0	0	0	0	0	0	0	0.00	0.00
i) Shares Held by pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0.00	0.00
ii) Others foreign Nationals	0	0	0	0	0	0	0	0.00	0.00
iii) Foreign Bodies	200000	0	200000	1.36	0	0	0	0.00	-1.36
iv) NRI / OCBs	148608	0	148608	1.01	4373907	0	4373907	2.99	1.98
v) Clearing Members / Clearing House	21308	0	21308	0.14	1372513	0	1372513	0.94	0.80
vi) Trust/HUF	437433	0	437433	2.99	4533363	0	4533363	3.09	0.10
vii) Limited Liability Partnerships	0	0	0	0	0	0	0	0.00	0.00
viii) Foreign Portfolio Investor (Corporates)	0	0	0	0	3009310	0	3009310	2.05	2.05
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
<b>Sub -Total (B)(2):</b>	10549591	474075	11023666	75.23	105065370	4591800	109657170	74.84	-0.39
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	10704591	474075	11178666	76.29	106485370	4591800	111077170	75.81	-0.48
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	14178620	474075	14652695	100	141935150	4591800	146526950	100.00	0.00

**ii) Shareholding of Promoters\***

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares of face value of Rs. 10/- each.	% of total Shares of the Company	% of shares Pledged/ encumbered to total Shares	No. of Shares of face value of Rs. 1/- each.	% of total Shares of the Company	% of shares Pledged/ encumbered to total Shares	
1	NARESH BHANDARI	675	0.004	0	6750	0.004	0	0.00
2	NITIKA BHANDARI	693681	4.734	0	7692300	5.249	0	0.515
3	SURESH K BHANDARI	8100	0.055	0	35000	0.023	0	-0.032
4	NITIN BHANDARI	2517830	17.183	0	25178300	17.183	0	0.00
5	KUSUM BHANDARI	253743	1.731	0	2537430	1.731	0	0.00
	<b>TOTAL</b>	<b>3474029</b>	<b>23.709</b>	<b>0</b>	<b>35449780</b>	<b>24.194</b>	<b>0</b>	<b>0.483</b>





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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of shares	% of total Shares of the company
	At the beginning of the year*	34740290	23.71		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)*	709490 (Date wise as per list)	-0.07 (Date wise as per lists below)	( as per list)	( as per list)
	At the end of the year	35449780	24.194		

NARESH BHANDARI	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2015	OPENING BAL.	675				675	0.004
	27.02.2016	SUB-DIVISION				6750	6750	0.004
	31.03.2016				CLOSING BAL (A)	6750	6750	0.004

NITIKA BHANDARI	PURCHASE DATE	REASON	BUY QTY	SALES DATE	REASON	SELL QTY.	CUM. BAL.	%
	01.04.2015	OPENING BALANCE	693681				693681	4.73
	24.04.2015	PURCHASE	15000				708681	4.84
	04.05.2015	PURCHASE	10000				718681	4.90
	06.05.2015	PURCHASE	15000				733681	5.00
	08.05.2015	PURCHASE	35549				769230	5.25
	27.02.2016	SUB-DIVISION OF FACE VALUE FROM RS. 10/- TO RS. 1/-	-				7692300	
	31.03.2016				CLOSING BAL. (B)		7692300	5.25



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<b>SURESH K BHANDARI</b>	PURCHASE DATE	REASON	BUY QTY/ OP BAL	SALE DATES	REASON	SELL QTY./ CL. BAL	CUM. BAL.	%
	01.04.2015	OPENING BAL.	<b>8100</b>				<b>8100</b>	0.06
				03.04.2015	SALE	1100	<b>7000</b>	0.05
	10.04.2015	PURCHASE	<b>1799</b>				<b>8799</b>	0.06
				17.04.2015	SALE	1600	<b>7199</b>	0.05
				24.04.2015	SALE	1200	<b>5999</b>	0.04
				08.05.2015	SALE	600	<b>5399</b>	0.04
				15.05.2015	SALE	600	<b>4799</b>	0.03
	05.06.2015	PURCHASE	<b>1400</b>				<b>6199</b>	0.04
	24.07.2015	PURCHASE	<b>2000</b>				<b>8199</b>	0.06
				31.07.2015	SALE	4000	<b>4199</b>	0.03
				07.08.2015	SALE	199	<b>4000</b>	0.03
				14.08.2015	SALE	700	<b>3300</b>	0.02
								0.00
	04.09.2015	PURCHASE	<b>1000</b>				<b>4300</b>	0.03
				11.09.2015	SALE	800	<b>3500</b>	0.02
	27.02.2016	SUB- DIVISION			SUB- DIVISION		<b>35000</b>	0.02
	31.03.2016				CLOSING BAL. ( C )	35000	<b>35000</b>	0.02

<b>NITIN BHANDARI</b>	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2015	OPENING BAL	2517830				2517830	17.183
	27.02.2016	SUB- DIVISION					25178300	17.183
				31.03.2016	CLOSING BAL ( D )	25178300		17.183

<b>KUSUM BHANDARI</b>	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2015	OPENING BAL.	253743				253743	1.731
	27.02.2016	SUB- DIVISION					2537430	1.731
	31.03.2016				CLOSING BAL. ( E )	2537430	2537430	1.731

**TOTAL OF SHARES HELD BY PROMOTERS AT THE END OF YEAR =(A+B+C+D+E) = 35449780 (24.194%)**

\* Pursuant to the approval given by Members of the Company by special Resolution dated 29.01.2016, each equity shares of face value of Re.10/- each was sub-divided into 10 equity shares of Rs. 1/- each w.e.f. 27.02.2016. The shareholdings above has been given accordingly and show effect of sub-division.



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

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year		
	For each of Top 10 Shareholders*	No. of Shares of Face Value of Rs. 10/- each.	% of total Shares of the Company	No. of shares of face value of Rs. 1/-each	% of total Shares of the Company	% change in shareholding during the year
1.	MEENA SHETH AMIT SHETH MAMTA A SHETH	0	0	5393200	3.681	3.681
2.	GEETA RADHAKRISHNA DESAI	478356	3.265	4783560	3.265	0.000
3.	ARVIND BHUPATRAI SHETH AMIT ARVIND SHETH ASHISH ARVIND SHETH	0	0.000	4600000	3.139	3.139
4.	VASUDHA GURUDAS DESAI	441499	3.013	4414990	3.013	0.000
5.	SHYAM ABHAY JASANI	0	0.000	4000000	2.730	2.730
6.	KARVY STOCK BROKING LIMITED	7644	0.052	3498052	2.387	2.335
7.	GURUDAS SABAJI DESAI	0	0.000	3303550	2.255	2.255
8.	RADHAKRISHNA SABAJI DESAI	0	0.000	3303540	2.255	2.255
9.	ALKA MITTAL	250000	1.706	2500000	1.706	0.000
10.	CHETAN DHIR	0	0.000	2256950	1.540	1.540
11.	KUSAM RANI	69500	0.474	2206540	1.506	1.032

v) Shareholding of Directors and Key Managerial Personnel\*

S. No.	Mg. Drector	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
1.	Mr. Nitin Bhandari Chairman & Managing Director	No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company			
	At the beginning of the year	2517830	17.183	25178300	17.183			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)							
	PURCHASE DATE	REASON	QTY	SALES DATE	REASON	QTY.	CUM. BAL.	%
	01.04.2015	OPENING BAL	2517830				2517830	17.183
	27.02.2016	SUB-DIVISION					25178300	17.183
				31.03.2016	CLOSING BAL (D)	25178300		17.183
	Bal. At the end of the year				25178300	17.183		

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

\*\*Except Shri Nitin Bhandari, Mg. Director, none of other directors have bought/sold/owned any shares in the Company during year 2015-16.



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S. No.	CFO	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
5.	Mr. Manoj Kumar (CFO)				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	—	—	—	—
	At the end of the year	—	—	—	—

S. No	Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
6	Mr. Gurinder Singh Makkar (Company Secretary)				
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	—	—	—	—
	At the end of the year	—	—	—	—

\* Pursuant to the approval given by Members of the Company by special Resolution dated 29.01.2016, each equity shares of face value of Re.10/- each was sub-divided into 10 equity shares of Rs. 1/- each w.e.f. 27.02.2016.





<b>V) INDEBTEDNESS</b> Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. in Rs)				
	Secured loans excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
i) Principal Amount	447,760,019	18,018,666	-	465,778,685
ii) Interest due but not paid	2,060,641	-		2,060,641
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>449,820,660</b>	<b>18,018,666</b>	<b>-</b>	<b>467,839,326</b>
<b>Change in Indebtedness During the financial year</b>				
Addition	112,987,294	9,620,000	-	122,607,294
Reduction	33,412,386	4,337,159	-	37,749,545
<b>Net Change</b>	<b>79,574,909</b>	<b>5,282,841</b>	<b>-</b>	<b>84,857,750</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	527,408,983	23,301,507	-	550,710,490
ii) Interest due but not paid	1,986,586	-	-	1,986,586
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>529,395,569</b>	<b>23,301,507</b>	<b>-</b>	<b>552,697,076</b>

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



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**B. REMUNERATION TO OTHER DIRECTORS:**

Sr No.	Particulars of Remuneration	MR. ASHISH THAPAR	MS. MANMEET SIKKA	MR. VIKAS NAYAR	AMOUNT (IN Rs.)
	<b>CATEGORY OF DIRECTOR</b>	<b>INDEPENDENT</b>	<b>INDEPENDENT</b>	<b>NON-EXECUTIVE</b>	
1	Independent Directors				
	1.Fee for attending board / committee meetings	35000	75000	N.A.	110000
	2. Commission	NIL	NIL	NIL	NIL
	3.Others, please specify*	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>35000</b>	<b>75000</b>	<b>-</b>	<b>110000</b>
2	Other Non-Executive Directors	<b>N.A.</b>	<b>N.A.</b>		
	1.Fee for attending board / committee meetings	<b>N.A.</b>	<b>N.A.</b>	<b>25000</b>	25000
	2. Commission	NIL	NIL	NIL	NIL
	3.Others, please specify*	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>25000</b>	<b>25000</b>
	<b>Total (B)=(1+2)</b>				<b>135000</b>
	<b>Total Managerial Remuneration</b>	<b>(A+B)</b>			<b>1575000</b>
Overall ceiling as per Act		a. 5% of Net Profits or Rs. 8400000 whichever is higher for Mg. Director Remuneration. b. 1% for of Net Profits for directors other than Managing/whole time directors (Excluding Sitting Fee)			

Notes:

- The Company pays only sitting fee to Independent and Non Executive Directors.
- Mr. Arun Kumar Oberoi has joined Board of Directors on 22.07.2016. So for year 2015-16, his details are NIL/N.A.

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER /WTD</b>					
<b>(Amount in RS.)</b>					
Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total
		MR. GURINDER MAKKAR (Company Secretary)	MR. SURINDER KUMAR (EX-CFO)  (RESIGNED WE.F. 15.04.2015)	MR. MANOJ KUMAR (C.F.O) (APPOINTED WE.F. 15.04.2015)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	420000	13350	360000	793350
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>420000</b>	<b>13350</b>	<b>360000</b>	<b>793350</b>



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

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

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

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

The Indian textile industry market share presently is USD 108 billion, out of which USD 68 billion is domestic consumption and USD 40 billion is exports, due to which India emerges as the second largest exporter after China having 6% share in the global trade. The industry is taking all steps to promote textile exports, which is the need of the hour. Costs are increasing due to rising input costs, including labour and power. The fall in the Rupee against the US dollar should act positively for promotion of exports. Focus on new product development and value added products is continuing in this segment.

As regards Indian economy, after years of diminutive growth the reform momentum has picked up in India..The Indian economy grew at 7.6 per cent in 2015-16 due to improvement in the performance of both services as well as manufacturing sectors. The government expects it to expand at above 8% in 2016-17.

India's overall textile exports had remained almost flat at \$40 billion in 2015-16 from \$41.6 billion in the previous financial year, a result of sluggish economic conditions globally. It also fell short of the year's target of \$47.5 billion set by the government. With a host of incentives and a Rs 6,000 crore package announced in the recent to boost textile and apparel exports, the government has set a higher target for year 2016-17.

Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15-16 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively. Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. Foreign direct investment (FDI) in textile sector increased to US\$ 1,587.8 million in FY15-16 from US\$ 1,424.9 million in FY14- 15. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). India's RMG exports to the world in year 2015-16 were to the tune of US\$ 16997.2 million, which is up by one per cent as compared to the same period of the previous financial year. During the year 2014-15, India's apparel exports were to the tune of USD 16832.2 million.

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

### Concerns and Threats





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

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

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

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

### **Opportunities**

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

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

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

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

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

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

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

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

During the year under review, the business and economic environment in India and other emerging countries remained challenging. The year witnessed several volatile events like significant depreciation of the rupee, burgeoning current account deficit, weakening and uncertain demand, elevated inflation and interest rates all of which lead to declining business confidence.

Despite challenging global and Indian scenario, the Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2015-16, achieve turnover of Rs. 19868.75 Lacs as against Rs. 12496.50 Lacs in the previous year, showing a substantial increase of 59% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2016 has been Rs.406.81 Lacs as against



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Rs. 219.11 Lacs in the previous year showing an increase of 85.66% over the previous year. The Exports of the Company for the financial year ended 31<sup>st</sup> March, 2016 were to the tune of Rs. 798.76 Lacs as against Rs. 1390.49 Lacs in the previous year.

The Company has already completed its modernization and expansion of dyeing and fabric division by setting up new Boiler, imported dyeing Machines, imported stenter and open width compacter, Weft Straightener water softening plant, DM Plant, Thermic Fluid Boiler and other fabric division machines and utilities. The Company is now planning to further expand into fabric processing and finishin. The Company is planning to widen its markets both at domestic levels and at international levels. The long term prospects of the company are good along the growth path.

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

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

<b>(RS. IN LACS)</b>		
<b>PARTICULARS</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Turnover</b>	<b>19868.75</b>	12496.50
<b>GROSS PROFIT before interest depreciation and tax</b>	<b>1528.31</b>	802.70
<b>Less: Financial expenses</b>	<b>677.16</b>	376.64
<b>Less: Depreciation and preliminary exp. written off</b>	<b>302.84</b>	126.52
<b>PROFIT BEFORE TAX</b>	<b>548.31</b>	299.54
<b>Less: Provision for tax</b>	<b>-141.50</b>	-80.43
<b>PROFIT AFTER TAX</b>	<b>406.81</b>	219.11
<b>Add: Balance brought forward</b>	<b>1835.06</b>	1633.59
<b>Less : Previous Years amounts transferred</b>	<b>-54.18</b>	
<b>Amount available for appropriation(s)</b>	<b>2187.69</b>	1852.70
<b>Appropriation:</b>		
<b>-Proposed Dividend on Equity shares @ Rs. 0.01/- per Equity Share (i.e. 1%)</b>	<b>14.65</b>	14.65
<b>-Tax on dividend @ 20.36%</b>	<b>2.983</b>	2.983
<b>Balance carried to Balance Sheet</b>	<b>2170.05</b>	1835.06

**TURNOVER AND PROFITS**

Despite challenging global and Indian scenario, the Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2015-16, achieve turnover of Rs. 19868.75 Lacs as against Rs. 12496.50 Lacs in the previous year, showing a substantial increase of 59% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2016 has been Rs.406.81 Lacs as against Rs. 219.11 Lacs in the previous year showing an increase of 85.66% over the previous year. The Exports of the Company for the financial year ended 31<sup>st</sup> March, 2016 were to the tune of Rs. 798.76 Lacs as against Rs. 1390.49 Lacs in the previous year.

**d. INTERNAL CONTROL SYSTEMSAND THEIR ADEQUACY**

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



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

The year under review has seen changes in the policies and procedures to make the organization high performing and successful. The Company has always valued its human resources and believes in optimum potential of each employee. During the period under review, the industrial relations were cordial without any disruptions of manufacturing activities. Additional appointments were made and annual increments were granted to salaries of employees during the period under review. As on 31<sup>st</sup> March, 2016, the Company had 286 employees on rolls.

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

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

##### **RISKS AND THREATS**

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

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

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

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

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

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

#### **h. SUBSIDIARY**

There is no Subsidiary/holding/Associate Company of the Company.

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

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

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

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



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





## CORPORATE GOVERNANCE REPORT

*[In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations]*

### 1. COMPANY'S PHILOSOPHY

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to achieve sustainable growth and enhances long term value for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it imperative to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate behaviours. The company always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

On September 2, 2015, the Securities and Exchange Board of India (SEBI) introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from December 1, 2015, replacing the erstwhile Listing Agreement with the Stock Exchange. The Company has promptly taken all necessary steps to implement the revised norms of Corporate Governance. The Company understands that compliances of applicable legislations and timely disclosures enhance the image of the Company as a good corporate citizen in the Country

### 2. BOARD OF DIRECTORS

- (i) **COMPOSITION:** At present, the Board of Directors of the Company consists of 4 Directors. One is Executive Chairman cum Mg. Director. Two are Independent Directors including one Women Director and last one is Non-Executive Director. The Composition of the Board is as per stipulated requirements.
- (ii) **BOARD MEETINGS:** During the financial year 2015-16, the Board met 10 times on 03.04.2015, 15.04.2015, 29.05.2015, 22.07.2015, 10.08.2015, 02.11.2015, 15.12.2015, 18.01.2016, 06.02.2016 and 29.03.2016. Following is the composition of the Board, attendance and other memberships of the directors of the Company:

Sr.	Name of Director	Designation	Category	No. of Board Meetings 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
1	Mr. Nitin Bhandari	Chairman & Mg. director	Promoter Director	9	Yes	NIL	NIL	
2	Ms. Manmeet Sikka	Director/ Woman Director	Non-Executive and Independent	10	N.A.	NIL	NIL	
3	Mr. Vikas Nayar	Director	Non-Executive	10	Yes	NIL	NIL	
4	Mr. Arun Kumar Oberoi	Director	Additional/ Independent Director	NA	NA	1 (Private Co.)	NIL	Appointed w.e.f. 22.07.2016
5	Mr. Ashish Thapar (Resigned)	Director	Non-Executive and Independent	8	Yes	NIL	NIL	Resigned on 12.08.2016

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

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations).

#### 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.



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**Brief Profile of Directors:**

NAME OF DIRECTOR	MS. MANMEET SIKKA (INDEPENDENT DIRECTOR)	MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)	SH. ASHISH THAPAR (INDEPENDENT DIRECTOR) (RESIGNED W.E.F. 12.08.2016)	SH. VIKAS NAYAR (NON-EXECUTIVE DIRECTOR)	MR. ARUN KUMAR OBEROI (ADDITIONAL/ INDEPENDENT DIRECTOR)
DIN	07135079	01385065	00077281	00071047	01170728
DATE OF BIRTH	09.10.1975	24.08.1983	28.08.1952	11.10.1973	04.12.1950
DATE OF APPOINTMENT	25.03.2015	23.11.2009	29.03.2003	29.10.2004	22.07.2016
QUALIFICATION	B. TECH. (TEXTILES), PGD in Computer Aided Textile designing (CATD)	MBA in Entrepreneurial Management from European Business School, London, U.K.	B.COM	GRADUATION	MATRICULATION
SHAREHOLDING IN THE COMPANY	NIL	25178300 (17.18%)	NIL	NIL	NIL
RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY	NIL	NIL	NIL	NIL	NIL
DIRECTORSHIP/ CHAIRMANSHIP IN OTHER PUBLIC COMPANIES	NONE	NONE	NIL	NIL	1(PVT. COMPANY)
MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES	NIL	NIL	NIL	NIL	NONE
EXPERTISE	Ms. Manmeet Sikka aged about 40 years is Bachelors in Textiles and also a Post Graduate Diploma in Computer Aided Textile designing (CATD). She Has around 18 years of experience in garments and textile segment and she has expertise in Overseeing fulfillment of export orders, sourcing of goods from domestic and international markets, merchandising, sampling, costing and fixing production parameters.	Mr. Nitin Bhandari aged 32 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has developed vast experience in the fields of Finance, production management, merchandising, setting up of new textiles projects, their modernization and expansion, viability, liaison with foreign and domestic buyers, marketing, cost & wastage control etc.	Mr. Ashish Thapar, aged about 63 years has a lot of experience in the fields of Manufacture and export of readymade garments. He is well versed with the Knitting and embroidery business, Merchandising functions and planning of the Financial Resources for garment units.	Mr. Vikas Nayyar has the exposure and experience of around 15 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.	Mr. Arun Kumar Oberoi has a rich experience of industry and business including hotels and hospitality, travels, freights, construction, import and export. and he had been a role playing director/ major stakeholder in several companies like Mayco Freights and Travels Pvt Ltd, Newport Coffee Company India Private Limited, Orchid Cuisines Private Limited, Kasauli Resorts Pvt. Ltd.. He has vast experience of construction, cost controls, project implementations, financial management of the industry and business.



### **INFORMATION AVAILABLE TO BOARD**

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

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

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

### **BOARD PROCEDURE**

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

### **PERFORMANCE EVALUATION:**

In compliance with the provisions of the Companies Act, 2013 ('the Act') and applicable clauses of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

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

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors met on 02.11.2015 inter alia, to discuss:

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

All the Independent Directors were present at the meeting.

### **FAMILIARISATION PROGRAMME FOR DIRECTORS**

Your company follows a structured familiarization programme through various reports and internal policies for all the Directors with a view to update them on the Company's policies on a regular basis. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman cum Managing Director and CEO on the Company's manufacturing, marketing, finance and other important aspects. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made thereunder and clause 49 of



the Listing Agreement/ Regulation 25 of the Listing Regulations, 2015. The details of the Familiarisation Programmes for Independent Directors are made available on Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com)

## **CODE OF CONDUCT:**

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

In terms of the requirements of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company,. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2016 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

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

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

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31<sup>st</sup> March, 2016. A declaration to that effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

## **3. COMMITTEES OF THE BOARD**

### **(i) Audit Committee:**

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. After the close of Financial year 2015-16, Mr. Arun Kumar Oberoi joined the Board as Additional/Independent Director and he was also appointed as a Member of the Audit Committee on 22.07.2016. Mr. Ashish Thapar has resigned the Board of Directors on 12.08.2016. The Audit Committee is presently consist of 3 directors as under:

- |                          |   |  |
|--------------------------|---|--|
| 1. Ms. Manmeet Sikka     | - | Chairman (Non-Executive and independent Director)      |
| 2. Mr. Arun Kumar Oberoi | - | Member (Non-Executive and Add./ independent Director ) |
| 3. Shri Nitin Bhandari   | - | Member (Executive Director)                            |

The Company Secretary is secretary to this Committee.

**Terms of reference:** The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.

The Audit Committee met six times during the financial year 2015-16, on 29.05.2015, 22.07.2015, 10.08.2015, 02.11.2015, 15.12.2015 and 18.01.2016. The Meetings were attended to by all the respective members except for 10.08.2015 at which leave was granted to Mr. Nitin Bhandari.

### **(ii) Stakeholders Relationship Committee**

The Board has formed an investors' Grievance Committee named as Stakeholder's Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the Demat account etc. The Committee also approves issue of duplicate share certificate(s) and other related matters and oversees and reviews all matters connected with the share transfer. The Committee is consist of following Directors:

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



The Company Secretary of the Company is Secretary of this Committee and is the Compliance Officer of the Company. During the year 2015-16, the Stakeholders Relationship Committee met 6 times on 29.05.2015, 22.07.2015, 26.10.2015, 15.12.2015, 09.02.2016 and 27.02.2016 at which all the Members were present except for 26.10.2015 at which leave of absence was granted to Ms. Manmeet Sikka.

During the financial year, the Company had not received any complaint from Shareholders of the Company. The Company's complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2015-16. The Company has designated Email Address exclusively for redressal of investors Complaints i.e. investor@bhandariexport.com and the same is also mentioned at the Company's Website.

**(iii) Nomination and Remuneration Committee -**

In compliance with Section 178 of the Companies Act, 2013, the Board has a duly constituted "Nomination and Remuneration Committee". After the close of Financial year 2015-16, Mr. Arun Kumar Oberoi joined the Board as Additional/Independent Director and he was also appointed as a Member of the Nomination and Remuneration Committee on 22.07.2016. Mr. Ashish Thapar has resigned the Board of Directors on 12.08.2016. The Nomination and Remuneration Committee is presently consist of 4 directors as under:

- |    |                        |  |
|----|------------------------|--|
| 1. | Ms. Manmeet Sikka      | -Chairman/ Non Executive & Independent Director                  |
| 2. | Shri Arun Kumar Oberoi | -Member/ Non Executive & Independent Director (w.e.f 22.07.2016) |
| 3. | Shri Vikas Nayar       | -Member/ Non Executive Director                                  |
| 4. | Shri Nitin Bhandari    | -Member  |

During year 2015-16, three Meetings of Nomination and Remuneration Committee were held on 15.04.2015, 10.08.2015 and 06.02.2016. Leave of absence was granted to Shri Ashish Thapar at Meeting held on 15.04.2015 and to Shri Nitin Bhandari at Meeting held on 10.08.2015. In Meeting dated 06.02.2016, all the Members were present.

**Terms of reference:** The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013. The objectives of constituting of Nomination and Remuneration Committee are as follow:

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

**(iv) Corporate Social Responsibility Committee**

The provisions with respect to Corporate Social Responsibility and constitution of CSR Committee were not applicable to the Company for the financial year 2015-16 as the Company was not covered under any of the applicability criteria set under Section 135 and Schedule VII of the Companies Act, 2013 read with as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014. So for the financial year 2015-16, the Company was not required to form Corporate Social Responsibility Committee or to make expenditure in pursuance to Corporate Social Responsibility. However as per the Audited Financial Statements of the Company for the year 2015-16, the provisions of Section 135 read with Schedule VII and Companies Corporate Social Responsibility) Rules, 2014 of the Companies Act, 2013 has become applicable to the Company with effect from financial year 2016-17. So in accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the Said Act and further read Companies (Corporate Social Responsibility) Rules, 2014, "Corporate Social Responsibility Committee" has been constituted w.e.f. 28.05.2016 consisting of following persons as Members/ Chairman :





Sr.	NAME OF THE DIRECTOR	DESIGNATION
1	MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)	CHAIRMAN
2	Ms. MANMEET SIKKA (INDEPENDENT DIRECTOR)	MEMBER
3	MR. VIKAS NAYAR (DIRECTOR)	MEMBER

**Key Responsibilities of the CSR Committee:**

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate the social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters, including any annual social responsibility report.
- Review the CSR Report, with the Management, before submission to the Board for approval.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

The CSR Policy of the Company is available at Website of the Company i.e. [www.bhandariexport.com](http://www.bhandariexport.com)

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

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

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

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

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

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

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

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

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

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

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

- At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:



- the relationship of remuneration and performance benchmarks is clear;
- balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered by Managing Director, the industry benchmarks and the current trends;
- the Company's performance vis-à-vis the annual budget achievement and individual performance.

#### **Remuneration Policy for the Senior Management Employees**

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

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

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

The Board of Directors of the Company in its meeting held on 13.11.2014 had approved the re-appointment of Mr. Nitin Bhandari as Chairman & Managing Director and CEO of the Company, for a period of 3 (three) years with effect from 22.11.2014 at existing consolidated monthly remuneration of Rs. 1,20,000/- per month and the same was duly approved by means of special Resolution passed by the Members of the Company at annual General Meeting held on 29<sup>th</sup> September, 2015.

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

#### **II. REMUNERATION OF DIRECTORS**

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

#### **6. DISCLOSURES AND COMPLIANCES**

##### **A. Related Party Transactions**

During the year 2015-16, the Company has entered into following transactions with related parties , in ordinary course of business and at arm's length basis:

Nature of Transactions	Key Management Personnel having relation with Related Party	Enterprises over which KMP is able to exercise significant influence	Total (Amt. in Rs.)	Total (Amt. in Rs.)
			2015-16	2014-15
(1)	(2)	(3)	(4)	(5)
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	-	4704725
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	-	701588
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	15742789	14732838
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	-	146440
Closing bal of Loan from Mr. Nitin Bhandari, Mg. Director	Nitin Bhandari and his Relatives	Sr. 1 to 4 at point B above	23189900	15436000
Rent Received	Nitin Bhandari and his Relatives	Bhandari Knit Exports	-	180000

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

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of the business of the Company. All related party transactions are placed before the Audit Committee of the Board of Directors for its approval. Prior omnibus approval of the Audit Committee of the Board of Directors is obtained for the transactions, which are of foreseen and repetitive nature. A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the Audit Committee of the Board of Directors for its review on a quarterly basis.. The policy on Related Party Transactions as approved by the Board is hosted on the Company's website. During the year under reference, no Material Related Party Transactions, were entered in terms of the provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **B. DISCLOSURES**

- During the financial year ended 31st March, 2016 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years.
- The Company has announced Whistle Blower policy. All the personnel of the company have the access to the Audit Committee.
- The Company has complied with the mandatory requirements of the Listing Regulation.



- v. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- vi. The Company does not have any subsidiary but it has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is [www.bhandariexport.com](http://www.bhandariexport.com).
- vii. The company has framed Related Party Transaction Policy and is placed on the Company's website and the web link for the same is [www.bhandariexport.com](http://www.bhandariexport.com).
- viii. During the financial year ended 31st March, 2016 the company did not engage in commodity hedging activities.

**C. COMPLIANCE**

- a. There has been no instance of non-compliance of any requirement of Corporate Governance Report.
- b. The Company has fully complied with the applicable requirement specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46.
- c. The company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.

**D. ADOPTION OF NON-MANDATORY REQUIREMENTS**

**I. The Board**

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

**II. Shareholder Rights**

Quarterly/Half yearly/yearly financial results are forwarded to the Stock Exchanges and also uploaded on the website of the Company . The same are also published in required newspapers.

**III. Audit Qualifications**

There was no audit qualification in the Auditors' Report on the Company's financial statements for the year 2015-16..

**IV. Reporting of Internal Auditor**

The Internal Auditor of the Company reports to the Audit Committee .

**E. Disclosure of relationship between Directors inter-se:**

None of the Director is related to each other.

**F. Disclosure of shares/ convertible instruments held by Non- Executive Directors as on 31.03.2016**

**a. . SHARES**

1. Shri Ashish Thapar (Resigned on 12.08.2016)	Nil
2. Shri Vikas Nayyar	Nil
3. Ms. Manmeet Sikka	Nil
4. Mr. Arun Kumar Oberoi (Appointed w.e.f. 22.07.2016)	Nil

**b. CONVERTIBLE INSTRUMENTS**

There are no outstanding convertible Instruments as at 31.03.2016.

**G. Disclosure as to Public/ Rights/Preferential Issues/Bonus Issue/Sub-division etc.**

During the year under review, the Company has not issued any equity shares/ shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares. There were no additions/reductions during the financial year 2015-16, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back , conversions etc. or any other changes except for subdivision of one Equity share of face value of Rs. 10/- each into 10 shares of face value of Rs. 1/- each, in accordance with the Special Resolution of the Shareholders of the Company passed on 29.01.2016. As a result the paid up equity share capital of the Company stand sub-divided into 14,65,26,950 equity shares of the face value of Rs. 1/- each. The Authorised Share capital of the Company has been sub-divided to 25 Crore equity shares of face value of Rs. 1/- each totalling into Rs. 25 crore Authorised Share Capital.

**7. CODE OF CONDUCT**

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

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

Pursuant to Section 177(9) of the Companies Act, 2013 and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The Mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.bhandariexport.com](http://www.bhandariexport.com). We affirm that during the financial year 2015-16, no employee was denied access to the Audit Committee.



## 9. COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted a "Code of Conduct for Directors and Senior Management Personnel". The Directors and Senior Management Personnel have given an Annual Affirmation during the year 2015-16, to this Code. The said Code has also been placed by the Company on its website i.e. [www.bhandariexport.com](http://www.bhandariexport.com)

## 10. GENERAL BODY MEETINGS

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

Meeting	Day	Date	Time	Venue	No. of Special Resolutions
22 <sup>nd</sup> AGM	Tuesday	29.09.2015	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	2
21 <sup>st</sup> AGM	Friday	29.09.2014	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	3
20 <sup>th</sup> AGM	Friday	27.09.2013	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	4
19 <sup>th</sup> AGM	Monday	28.09.2012	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	NIL

(ii) No Extra Ordinary General Meetings were held during the Financial year 2015-16.

(iii) Number of resolutions passed through postal ballot during the financial year 2015-16 was Two.

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

Item No. 1

Special Resolution under Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013 for Sub-division of equity shares of the Company from Rs.10/- (Rupees ten only) each to Rs.1/- (Rupee One only) each.

Item No. 2

Special Resolution under Section 13 read with 61 and all other applicable provisions of the Companies Act, 2013 for consequent Alteration of Capital Clause of Memorandum of Association.

The Company had appointed M/s Rajeev Bhambri & Associates, Ludhiana, Practicing Company Secretaries as 'Scrutinizer' for conducting the postal ballot process. Ballot Forms/e-votes received up to 5:00 p.m., on January 27, 2016 5:00 had been considered. The voting pattern of the same was as under:

RESOLUTIONS	TOTAL MEMBER S VOTED	TOTAL NO. OF VOTES	INVALID VOTES	VALID VOTES	VALID VOTES IN FAVOUR	% IN FAVOUR	VALID VOTES AGAINST	% AGAINST
Special Resolution under Sections 13, 61, 64	16	3789044	0	3789044	3789044	100	0	0
Special Resolution under Section 13 read with 61	16	3789044	0	3789044	3789044	100	0	0

Both of the abovesaid matters/Resolutions No. 1 and 2 as stated in Notice and Explanatory Statement of the Postal Ballot dated 15<sup>th</sup> December, 2015 were passed as Special Resolutions by the Shareholders of the Company through Postal Ballot on the date of declaration of results by the Chairman i.e. January 29, 2016, at the Registered Office of the Company.

### Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company along with Postal Ballot Notice and Postal Ballot Form. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last day for receipt of ballots



[physical/e-voting], the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same are communicated to stock exchange and copies of resolutions are filed at MCA Website and results are also displayed on the Company's website and Notice Board.

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

#### **11. CEO/CFO CERTIFICATION**

The Managing Director and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31<sup>st</sup> March, 2016.

#### **12. MEANS OF COMMUNICATION:**

The Company communicates with the shareholders through its Annual Reports, Publication of quarterly Results, press releases and reports and returns filed with Stock Exchanges and Registrar of Companies etc. The financial results are normally published in Financial Express and Nawa Zamana/Desh Sewak. 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. The Investor Complaints are processed in a centralized web based complaints redressal system on www.scores.gov.in, a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had dispose of all the pending complaints filed through scores.

#### **13. GENERAL SHAREHOLDERS INFORMATION:**

##### **A. 23<sup>rd</sup> ANNUAL GENERAL MEETING**

**DATE** 29.09.2016  
**TIME** 9.00 A.M.  
**DAY** Thursday  
**VENUE** Regd.Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 PB. INDIA

##### **B. FINANCIAL CALENDAR 2016-17 (TENTATIVE)**

FIRST QUARTER RESULTS	: MIDDLE OF AUGUST, 2016
SECOND QUARTER RESULTS	: MIDDLE OF NOVEMBER, 2016
THIRD QUARTER RESULTS	: MIDDLE OF FEBRUARY, 2017
FOURTH QUARTER RESULTS AND YEARLY	: MIDDLE OF MAY, 2017
ANNUAL ACCOUNTS/NOTICE	: AUGUST, 2017

- C. 1. BOOK CLOSURE DATES : 23.09.2016 TO 29.09.2016 (BOTH DAYS INCLUSIVE)**  
**2. CUT OFF DATE : 22.09.2016**

##### **D. FINAL DIVIDEND PAYMENT DATE :**

Dividend, if any, declared in the next AGM will be paid on or after 29<sup>th</sup> September, 2016, but before the statutory time limit of 30 days from the date of declaration.

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

<b>BSE SCRIP CODE</b>	<b>512608</b>
<b>ISIN</b>	<b>INE474E01029 (New ISIN allotted on Sub-Division)</b>
<b>FACE VALUE</b>	<b>RE. 1/- PER SAHRE</b>

The Company has duly paid the Listing fees to the aforesaid Stock Exchange upto Financial Year 2016-17.

##### **F. STOCK MARKET DATA**

The month wise highest, lowest and closing stock prices vis a vis BSE Sensex during the financial year 2015-16 are given below:





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

BHANDARI HOSIERY EXPORTS LIMITED				BSE SENSEX		
MONTH	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
	(Rs.)	(Rs.)	(Rs.)	(Points)	(Points)	(Points)
*Apr-15	5.16	3.10	4.82	29094.61	26897.54	27011.31
*May-15	4.98	4.39	4.70	28071.16	26423.99	27828.44
*Jun-15	4.82	4.06	4.27	27968.75	26307.07	27780.83
*Jul-15	5.47	3.72	5.28	28578.33	27416.39	28114.56
*Aug-15	6.60	4.76	4.99	28417.59	25298.42	26283.09
*Sep-15	5.35	4.41	4.60	26471.82	24833.54	26154.83
*Oct-15	5.53	4.60	5.24	27618.14	26168.71	26656.83
*Nov-15	6.00	4.80	5.19	26824.3	25451.42	26145.67
*Dec-15	6.25	4.76	5.91	26256.42	24867.73	26117.54
*Jan-16	5.99	4.47	4.52	26197.27	23839.76	24870.69
*Feb-16	4.70	3.20	3.30	25002.32	22494.61	23002
Mar-16	5.55	3.15	4.11	25479.62	23133.18	25341.86

\*Equity Shares of face value Rs. 10/- each have been sub-divided into Equity Shares of face value Re. 1/- each in February, 2016. Therefore, for meaningful comparison, the high, low, close prices of Equity Shares traded at face value of Rs. 10/- each from April 2015 to February, 2016 (i.e. Pre-subdivision period) are adjusted by dividing by 10 to derive their high, low, close prices for equity shares of Rs. 1/- each as sub-divided.

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

In accordance with the Circular of Securities and Exchange Board of India (SEBI), the work of physical share transfer of the Company is with M/S **LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591.** Electronic Mode i.e dematerialization 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 : **INE474E01029**. The shares of the Company are traded compulsorily in Demat form on Bombay Stock Exchange Ltd. and the Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

**H. SHARE TRANSFER SYSTEM:**

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed and approved by M/s **LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2<sup>nd</sup> FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591,** who are the RTAs of the Company to handle both physical and demat of shares activities and transfers are approved/taken note of by the Stakeholder's Relationship Committee. The physical share transfers are generally processed within a period of 15 days from the date of receipt of transfer documents by RTAs. Physical Share Transfers are normally completed/replied within 15 days by RTAs.

**I. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016**

SR.NO.	RANGE OF SHARES (Nos.)			NO. OF HOLDERS	%OF HOLDERS	NO. OF SHARES	% OF SHARES
1	1	to	500	691	10.7099	168789	0.1152
2	501	to	1000	617	9.5629	578936	0.3951
3	1001	to	2000	3132	48.5431	4386589	2.9937
4	2001	to	3000	411	6.3701	1110207	0.7577
5	3001	to	4000	108	1.6739	397913	0.2716
6	4001	to	5000	355	5.5022	1694416	1.1564
7	5001	to	10000	461	7.1451	3810275	2.6004
8	10001	to	Above 10001	677	10.4929	134379825	91.7100
Total				6452	100	146526950	100.0000



**J. COMPLIANCE WITH MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015/CLAUSE 49 OF THE LISTING AGREEMENT**

The Company has fully complied with the applicable requirements as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Clause 49 of the erstwhile Listing Agreement with the BSE Limited for the purpose of ensuring Corporate Governance.

**K. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2016**

CATEGORY	NO. OF SHARES OF FACE VALUE OF RS. 1/- EACH	% OF SHAREHOLDING
Promoters/ Promoters Group	35449780	24.19
Mutual Funds	0	0.00
Banks, FIs, Etc.	0	0.00
Foreign Portfolio Investors	3009310	2.05
Foreign Institutional Investors	1420000	0.97
Private Corporate Bodies	7098416	4.84
Non Resident Indians	4373907	2.99
Central/ State Govt.	0	0.00
Indian Public	93803024	64.02
Clearing Members	1372513	0.94
<b>GRAND TOTAL</b>	<b>146526950</b>	<b>100.00</b>

**L. SHAREHOLDING OF DIRECTORS AS ON 31.03.2016**

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 31.03.2016
Mr. Nitin Bhandari	25178300 (17.18%)
Ms. Manmeet Sikka	NIL
Mr. Vikas Nayar	NIL
Mr. Ashish Thapar (Resigned on 12.08.2016)	NIL
Mr. Arun Kumar Oberoi (Appointed w.e.f. 22.07.2016)	NIL

**M. DEMATERIALISATION OF SHARES:**

As on 31.03.2016 approx. 96.87% shares comprising 14,19,35,150 equity shares were dematerialized.

**N. COMPLIANCE OFFICER :**

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

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

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

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

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

**R. GREEN INTITATIVE**

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

**S. UNCLAIMED DIVIDENDS**

The Company has transferred all amounts of unclaimed dividend declared for the Financial Year 2006-07 to "The Investors Education and Protection Fund" established by the Central Government, during year 2014-15. There were no other amounts of unpaid dividends pending for transfer to such Fund in the year 2015-16. Further after year 2006-07, the Company has declared the dividends for the year 2014-15 @1% i.e. Rs. 0.1/- per equity share of the face value of Rs. 10/- each. Dividends that remain unclaimed / unpaid for a period of seven (7) years from the date on which they were declared, are required to be transferred to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Companies Act, 1956. Shareholders / Investors who have not encashed their Dividend Warrants if any, for year 2014-15, are requested to lodge their claims by quoting their respective Folio No./DPClient ID with Company.



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

The company has not issued GDRs/ ADRs/Warrants as of March 31, 2016.

**U. PLANT LOCATIONS:**

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

**V. ADDRESS FOR CORRESPONDENCE:**

REGD. OFFICE : BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007

PHONES : 88720-16410, FAX : 0161- 2690394; EMAIL : bhandari@bhandariexport.com

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

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

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



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

To  
The Board of Directors,  
BHANDARI HOSIERY EXPORTS LIMITED  
As required under the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations] read with Schedule II part B of the Listing Regulations, we hereby certify that;

- (A) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation 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 or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies; and
- (D) We have indicated to the auditors and the Audit committee;
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. 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: 12.08.2016

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

Sd/-  
**Manoj Kumar**  
CFO

**Declaration Regarding Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2016.

Sd/-

Place: Ludhiana  
Date: 12.08.2016

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

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**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

TO

THE MEMBERS  
BHANDARI HOSIERY EXPORTS LIMITED

We have examined the compliance of conditions of Corporate Governance by BHANDARI HOSIERY EXPORTS LIMITED ('the Company'), for the year ended on 31st March, 2016, as stipulated in clause 49 of the Listing Agreement/Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For VIPAN KUMAR AGGARWAL & CO.  
(CHARTERED ACCOUNTANTS)

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

PLACE : LUDHIANA  
DATED : 12.08.2016



## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Bhandari Hosiery Exports Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Emphasis of Matter-**

We draw attention to the fact that the financial statements of the Company for the year ended March 31, 2016 were earlier approved by the Board of Directors at its meeting held on May 28, 2016. The financial statements of the Company were audited by us and our report dated May 28, 2016, addressed to the members of the Company, expressed an unmodified opinion on those financial statements. However to recommend payment of dividend for the financial year 2015-16, the Board of Directors reconsidered and approved the Financial Statements in its meeting held on 22<sup>nd</sup> July 2016. There were no other changes/corrections/revision made to financial statements except for giving effect to recommendation and payments of dividends for the year 2015-16.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016, and its profit and its cash flows for the year ended on that date.





**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Ludhiana.  
Date : 22.07.2016

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



**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.  
(b) No discrepancies have been noticed on physical verification of the inventory as compared to books records
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management.
  - a) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
  - b) The company has raised term loans from the bank for installation of machinery.



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

- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. During the year, The Company's Equity shares of Rs. 10/- each were sub-divided into 10 equity shares of Rs. 1/- each resulting in increase in number of equity shares from 1,46,52,695 equity shares of Rs. 10/- each to 14,65,26,950 equity shares of Rs. 1/- each.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Place: Ludhiana.  
Date : 22.07.2016

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



**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BHANDARI HOSIERY EXPORTS LTD**

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

We have audited the internal financial controls over financial reporting of Bhandari Hosiery Exports Limited as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated July 22, 2016 expressed an unqualified opinion thereon.

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

Place: Ludhiana.  
Date : 22.07.2016

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



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

<b>BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016</b>			
<b>PARTICULARS</b>	<b>NOTE</b>	<b>AS AT 31.03.2016 (Rs.)</b>	<b>AS AT 31.03.2015 (Rs.)</b>
Corporation information	1		
Accounting Policies	2		
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	3	146,526,950	146,526,950
b) Reserves & Surplus	4	401,785,810	368,286,771
<b>Sub Total</b>		<b>548,312,760</b>	<b>514,813,721</b>
<b>2. Non-Current Liabilities</b>			
a) Long Term Borrowings	5	143,199,605	168,553,782
b) Deferred Tax Liability	6	26,357,158	24,207,158
<b>Sub Total</b>		<b>169,556,763</b>	<b>192,760,940</b>
<b>3. Current Liabilities</b>			
a) Short Term Borrowings	5	409,497,471	299,285,544
b) Trade Payables	7	92,858,623	128,415,601
c) Other Liabilities	8	11,503,643	10,718,619
d) Short Term Provisions	9	15,228,269	9,221,354
<b>Sub Total</b>		<b>529,088,006</b>	<b>447,641,118</b>
<b>Total</b>		<b>1,246,957,529</b>	<b>1,155,215,779</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>a) Fixed Assets</b>			
i) Tangible assets	10	407,152,380	435,020,490
ii) Intangible assets	10	156,233	156,233
iii) Capital Work-in-Progress	10	547,200	547,200
<b>Sub Total</b>		<b>407,855,813</b>	<b>435,723,923</b>
b) Non-current investments		-	-
c) Long term loans and advances		-	-
d) Other non-current assets		-	-
<b>2. Current Assets</b>			
a) Inventories	11	438,734,239	454,297,046
b) Trade Receivables	12	305,691,078	193,848,050
c) Cash & Bank Balances	13	14,306,786	4,698,115
d) Short Terms Loans & Advances	14	2,331,351	2,224,293
e) Other Current Assets	15	78,038,262	64,424,352
<b>Sub Total</b>		<b>839,101,716</b>	<b>719,491,855</b>
<b>Total</b>		<b>1,246,957,529</b>	<b>1,155,215,779</b>
<b>Summary of Significant Accounting Policies</b>	2		
<b>The accompanying Notes referred to above form an integral part of the Financial Statements.</b>			
<b>As per our Report of even date</b>			
<p>For Vipin Kumar Aggarwal &amp; Co. FRN : 007245N Chartered Accountants</p> <p>Sd/- (Vipin Kumar Aggarwal ) Proprietor Membership No. 081198 Place : Ludhiana Date : 22.07.2016</p> <p>Sd/- (Manoj Kumar) Chief Financial Officer</p> <p>Sd/- (Gurinder Makkar ) Company Secretary</p> <p>Sd/- (Vikas Nayar) Director DIN:00071047</p> <p>Sd/- (Nitish Bhandari) Mg. Director DIN : 01385065</p>			





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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

SR.	PARTICULARS	NOTE	F.Y. ENDED 31.03.2016 (RS.)	F.Y. ENDED 31.03.2015 (RS.)
I	<b>Revenue</b>			
	Revenue from Operations	16	1,985,777,403	1,248,917,297
II	Other Income	17	1,097,450	732,432
III	<b>Total Revenue</b>		<b>1,986,874,853</b>	<b>1,249,649,729</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	18	1,538,932,556	1,039,837,014
	Changes in inventory of finished goods , work in process stock in trade	19		
			52,310,098	-42,087,710
	Employees Benefit Expenses	20	49,839,604	48,454,860
	Finance cost	21	67,715,909	37,664,295
	Depreciation expense	10	30,284,722	12,652,069
	Other Expenses	22	192,961,205	123,175,384
	<b>Total Expenses</b>		<b>1,932,044,095</b>	<b>1,219,695,913</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		54,830,759	29,953,817
VI	Exceptional items		0	0
VII	Profit before extraordinary items and tax (V - VI)		54,830,759	29,953,817
VIII	Extraordinary Items		NIL	NIL
IX	<b>Profit before tax (VII-VIII)</b>		<b>54,830,759</b>	<b>29,953,817</b>
X	<b>Tax Expenses</b>			
	Current Income Tax		12,000,000	5,993,085
	Deferred Tax		2,150,000	2,050,000
	Wealth Tax		0	0
	Excess(short) Provisions income tax of earlier years		0	0
XI	<b>Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>40,680,759</b>	<b>21,910,732</b>
XII	<b>Profit/(Loss) for the period from discontinuing operations (IX-X)</b>		<b>NIL</b>	<b>NIL</b>
XIII	Profit/(Loss) for the year		40,680,759	21,910,732
XIV	Surplus carried over to Balance Sheet		40,680,759	21,910,732
XV	Net Profit available for Equity Shareholders		40,680,759	21,910,732
XVI	<b>Basic Earning per Equity Share of Rs. 1/- each</b> (Previous year Rs. 10/- each, but re-stated at Rs. 1/- for Comparison purpose. EPS accordingly re-stated for previous period as per sub-divided Equity shares of face value of Rs. 1/- each)	23	0.28	0.15
	<b>Diluted Earning per Share of Rs. 10/- each/Weighted Avg.</b> (Previous year Rs. 10/- each, but re-stated at Rs. 1/- for Comparison purpose. EPS accordingly re-stated for previous period as per sub-divided Equity shares of face value of Rs. 1/- each)	23	0.28	0.15
	<b>Summary of Significant Accounting Policies</b>	2		

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

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

Sd/-  
(Vipin Kumar Aggarwal )  
Proprietor  
Membership No. 081198  
Place : Ludhiana  
Date : 22.07.2016

Sd/-  
(Manoj Kumar)  
Chief Financial Officer

Sd/-  
(Gurinder Makkar )  
Company Secretary

Sd/-  
(Vikas Nayar)  
Director  
DIN:00071047

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



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>YEAR ENDED 31<sup>ST</sup> MARCH 2016 (RS.)</b>	<b>YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (RS.)</b>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	54,830,759	29,953,817
Adjustments for		
Depreciation after written back	30,284,722	10,672,133
Less : Interest received	-1,097,450	-732,432
Interest & financial expenses	67,715,909	37,664,295
Adjustments against Reserve & surplus	0	0
<b>Operating profit before working capital changes</b>	<b>151,733,940</b>	<b>77,557,813</b>
Adjustment for :		
Decrease / Increase (-) in debtors & receivables	-125,563,996	-42,431,123
Decrease / Increase (-) in inventories	15,562,807	-98,068,896
Increase / Decrease (-) in Trade payables and other current liabilities	-28,765,038	74,997,985
Cash Generated from operations	<b>12,967,713</b>	<b>12,055,779</b>
Less Interest paid	67,715,909	37,664,295
Less Direct tax paid	12,000,000	5,993,085
<b>Cash flow before extraordinary items</b>	<b>-66,748,196</b>	<b>-31,601,601</b>
Extra ordinary items(Provision for Dividend)/W/OFF	7,181,719	1,763,569
<b>Net cash from trading activities</b>	<b>-73,929,915</b>	<b>-33,365,170</b>
<b>CASH FROM INVESTING ACTIVITIES</b>	<b>-73,929,915</b>	<b>-33,365,170</b>
issue of fresh capital	0	0
Share premium on fresh capital	0	0
Purchase of fixed assets	-4,341,025	-152,756,567
Depreciation Written Back	-861,437	0
Sale of fixed assets	2,785,850	5,189,500
Interest received	1,097,450	732,432
Realization from investments	0	0
Net cash from investing activities	<b>-1,319,162</b>	<b>-146,834,635</b>
<b>CASH FROM FIANANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
Increase in bank borrowing	84,857,750	174,802,643
Repayment of short term borrowing	0	0
Repayment of unsecured loans if any	0	0
<b>Net cash from financing activities</b>	<b>84,857,750</b>	<b>174,802,643</b>
Net increase or decrease in cash & cash equivalent	9,608,673	-5,397,162
Cash & Cash equivalents ( Opening Balance )	4,698,115	10,095,277
Cash & Cash equivalents ( Closing Balance )	14,306,788	4,698,115

Note: Previous year's figures have been regrouped wherever necessary.

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

**Sd/-**  
**(Vipin Kumar Aggarwal )**  
**Proprietor**  
**Membership No. 081198**  
**Place : Ludhiana**  
**Date : 22.07.2016**

**Sd/-**  
**(Manoj Kumar)**  
**Chief Financial Officer**

**Sd/-**  
**(Gurinder Makkar )**  
**Company Secretary**

**Sd/-**  
**(Vikas Nayar)**  
**Director**  
**DIN:00071047**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### **NOTE1- CORPORATE INFORMATION**

Bhandari Hosiery Exports Limited is a public limited Company incorporated under the provisions of Companies Act, 1956. The Company's CIN is L17115PB1993PLC013930 and the Company's Registered Office is situated in Punjab at Bhandari House, Village Meharban, Rahon Road, Ludhiana. The Company is listed at BSE Limited (BSE). The Company does not have any subsidiary Company. The Company is into Textiles and is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 19 years experience and state of that art manufacturing facilities, Bhandari Hosiery manufactures garments of leading international and overseas brands and some overseas retail chains..in the international market, we have a presence in around 18 countries including quality conscious markets like USA,, Canada,, UK and European Uniion..

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

### **NOTE 2-ACCOUNTING POLICIES**

#### **2.1 ACCOUNTING POLICIES**

**(a) Basis of Accounting :**

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

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

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

**(c) Use of Estimates**

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

**(d) Revenue Recognition:**

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

**(e) Retirement Benefits:**

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



**(f) Fixed Assets:**

Fixed Assets are stated at historical cost less accumulated depreciation.

**(g) Depreciation:**

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

**(h) Inventories:**

Stores and spares and raw material are valued at Cost.

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

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

**(i) Borrowing Cost:**

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

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

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

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

The total sales are inclusive of export incentives and rebate & discounts received and Rebate of Rs. 332746/- (Previous Year Rs. 574716/-) has been shown separately under Other Expenses in Statement of Profit and Loss.

**2.2 Contingent Liabilities not provided for (Rs. In Lacs)**

Sr.	Particulars	As at 31.03.2016	As at 31.03.2015
(a)	Letter of Credit outstanding	0.00	52.05
(b)	Bank Guarantee Outstanding	2.00	2.00
(c)	Bill discounting with bank against irrevocable Foreign Letter of Credit	297.79	262.77

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

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

- 2.3** (a) Sales tax/ VAT liability has been provided for as per the return filed. According to our view there is no other liability in addition to the liability provided but in case any additional liability arises at the time of assessment, the same shall be provided at that time.
- (b) Provision for Income Tax has been made in the Statement of Profit & Loss on the basis of actual tax liability under MAT as per the Income Tax Act, 1961.

**2.4 Legal cases by and against Company**

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

Name of the Complaint Sr. No. / Plaint	Court of JMJC Hon'ble	Nature of Proceddings	Status
1. BHANDARI HOSIERY V/s Sharda Logistics	Deepali Gupta	U/S 138 of N.I.A	P.O. declared
2. BHANDARI HOSIERY V/s Avtar Singh	Vipindeep Kaur	U/S 138 of N.I.A	P.O. declared
3. BHANDARI HOSIERY V/s SRS Exports ( Ravneek Uppal)	Yukti Goel	U/S 138 of N.I.A	P.O. declared
4. BHANDARI HOSIERY V/s Ambika Traders	Tarunesh Kumar	Civil Suit 9.8.2016 for final arguments	
5. BHANDARI HOSIERY V/s Raj Kumar	Deepali Gupta	U/S 138 of N.I.A	P.O. Declared
6. BHANDARI HOSIERY V/s Sunil Kumar	Balwant Singh	U/S 138 of N.I.A	P.O. Declared
7. BHANDARI HOSIERY VS. UNICORN CORPORATION	RAHUL KUMAR	U/S 138 of N.I.A	Written Statement

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



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

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

- 2.7** Party's balances (under Debtors, Creditors and Advances) as at the year end are subject to confirmation. However Company has a perpetual system of reconciling the accounts with its suppliers & customers during the year.
- 2.8** In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet.

**2.9 Segment Reporting**

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

Particulars	2015-16 ( Rs )	2014-15 ( Rs )
Export sales	79876607	139049183
Domestic sales	1905900796	1109868115
Total	1985777403	1248917297

**2.10 Investments**

Particulars	2015-16	2014-15
Investment in shares , etc.	Nil	Nil

**2.11 Deferred Tax Liability**

As per requirements of the Accounting standard -22, the company has created deferred tax liability for the year of Rs. 21,50,000/- (previous year 20,50,000/- ) which consists of the following: (Amounts in Rs. )

PARTICULARS	At the beginning of the Year	Charged during the year	At the close of year
Timing Difference on account of			
-Depreciation	24207158	2150000	26357158
-Others	0	0	0
<b>-Net Deferred Tax Liability</b>	24207158	2150000	26357158

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

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under : (Amounts in Rs. )

	2015-16	2014-15
Principal amount remaining unpaid to any supplier as at the end of accounting year	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with amt. of the payment made to the supplier beyond appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**2.13 Related Party Disclosure**

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

A. Related parties with whom transactions have taken place during the year 2015-16.

a. Key Managerial Personnel:

1. Shri Nitin Bhandari, Mg. Director
2. Shri Manoj Kumar, CFO
3. Shri Gurinder Makkar, Company Secretary
4. Mr. Surinder Kumar (former CFO, Resigned w.e.f 15.04.2015)

b. Relatives of Key Managerial Personnel

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





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

Nature of Transactions	Total Amount (in Rs.) 2015-16	Total Amount (in Rs.) 2014-15
Remuneration / Salary paid to Key Managerial Personnel	22,33,350	23,92,834
Remuneration / Salary paid to Relatives of Key Managerial Personnel being employees	23,28,000	35,87,166

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

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

**Transactions with Related Parties:**

Nature of Transactions	Key Management Personnel having relation with Related Party	Enterprises over which KMP is able to exercise significant influence	Total (Amt. in Rs.)	Total (Amt. in Rs.)
			2015-16	2014-15
(1)	(2)	(3)	(4)	(5)
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	-	4704725
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	-	701588
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	15742789	14732838
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	-	146440
Closing bal of Loan from Mr. Nitin Bhandari, Mg. Director	Nitin Bhandari and his Relatives	Sr. 1 to 4 at point B above	23189900	15436000
Rent Received	Nitin Bhandari and his Relatives	Bhandari Knit Exports	-	180000

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

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

**2.14 Leases**

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

**2.15 Additional information**

a Value of Imports Calculated on C.I.F. Basis		31.03.2016 (RS.)	31.03.2015 (RS.)
(i)	Raw Materail	Nil	Nil
(ii)	Stores, Spares, Needles, Labels, Packing Material, Leather goods etc.	1925531	4246620
(iii)	Capital goods	-	146616220
b Expenditure in Foreign Currency			
(a)	Travelling and Conveyance	3311928	2211268
(b)	Quality claim, rebate & discount etc.	1755954	1004318
c Foreign Exchange Earnings			
(a)	FOB Value of Exports	66454290	124950983
d The Value of Consumption of Raw Materials and Stores			

Particulars	Year ended	Raw Material	%	stores	%
	31st March				
a) Imported	2016	NIL	NIL	1925531	36.59
b) Indigenous	2016	1538932556	100	3337035	63.41
a) Imported	2015	NIL	NIL	4246620	38.80
b) Indigenous	2015	1039837014	100	6699144	61.20

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

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

For Vipan Kumar Aggarwal & Co.

FRN : 007245N

Chartered Accountants

Sd/-

(Vipan Kumar Aggarwal )

Proprietor

Membership No. 081198

Place : Ludhiana

Date : 22.07.2016

Sd/-

(Manoj Kumar)

Chief Financial Officer

Sd/-

(Gurinder Makkar )

Company Secretary

Sd/-

(Vikas Nayar)

Director

DIN:00071047

Sd/-

(Nitin Bhandari)

Mg. Director

DIN : 01385065



**NOTE 3- SHARE CAPITAL**

PARTICULARS	AS AT 31.03.2016 (Rs.)	AS AT 31.03.2015 (Rs.)
<b>I. Share Capital</b>		
<b>a) Authorised Capital</b> 250,000,000 equity shares of Rs. 1/- each (Previous Year 25,000,000 equity shares of Rs. 10/- each)	<b>250,000,000</b>	250,000,000
<b>b) Issued Share Capital</b> 146,526,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 14,652,695 equity shares of Rs. 10/- each fully paid up)	<b>146,526,950</b>	146,526,950
<b>c) Subscribed &amp; Paid up Capital</b> 146,526,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 14,652,695 equity shares of Rs. 10/- each fully paid up)	<b>146,526,950</b>	146,526,950
<p>(i) The Company has one class of equity shares having a par value of Rs 1/- each as at 31<sup>st</sup> March, 2016. Each holder of equity shares is entitled to one vote per share.</p> <p>(ii) During the year 2015-16, Pursuant to the approval of the members given through postal ballot / e-voting on 29<sup>th</sup> January, 2016 for sub-division of the equity shares of the Company, each equity share of nominal face value of Rs. 10/- each was sub-divided to 10 equity shares of nominal face value of Rs. 1/- each, resulting in increase in number of equity shares from 1,46,52,695 equity shares of Rs. 10/- each to 14,65,26,950 equity shares of Rs. 1/- each.</p> <p>(iii) The Board of Directors have proposed a dividend of Rs. 0.01/- per Equity Share of face value of Rs.1/- each (i.e. @ 1%), subject to approval of the shareholders at the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2016 amounted Rs. 1,763,570/- comprising of Rs. 1,465,270 as dividend and Rs. 298,300/- as dividend distribution tax.</p>		

**II. Reconciliation of shares outstanding at the beginning and at the end of the reporting periods**

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the period (14,652,695 equity shares of Rs 10/- each sub-divided into 10 equity Shares of Rs. 1/- each)	146,526,950	146,526,950	14,652,695	146,526,950
Add: Shares Issued during the year	NIL	NIL	NIL	NIL
Less: Shares bought back during the year	NIL	NIL	NIL	NIL
Add: Other movements during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the period	146,526,950	146,526,950	14,652,695	146,526,950

**III. Shares held by each share holder holding more than 5% share in the company**

Equity shares of Rs. 1/- each ( Previous year Equity shares of Rs. 10/- each)

Name of Shareholder	31.03.2016		31.03.2015	
	No of Share	% of Holding	No of Share	% of Holding
1. NITIN BHANDARI	25,178,300	17.18	2,517,830	17.18
2. NITIKA BHANDARI	7,692,300	5.25	693,681	4.73

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

Particulars	Year (Aggregate No. of Shares)					
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>EQUITY SHARES:</b>						
Opening Balance at beginning of year -Shares of face value of Rs. 1/- each (Previous year shares of face value of Rs. 10/- each)	146,526,950	14,652,695	14,652,695	10,065,195	10,065,195	7,455,700
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL	2,609,495
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL
Rights issue/FPO/Preferential issue/ Conversion of Warrants/ any other	NIL	NIL	NIL	4,587,500	NIL	NIL
<b>TOTAL/BAL. AT CLOSE OF YEAR</b>	<b>146,526,950</b>	<b>14,652,695</b>	<b>14,652,695</b>	<b>14,652,695</b>	<b>10,065,195</b>	<b>10,065,195</b>
<b>PREFERENCE SHARES**:</b>						
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL/BAL. AT CLOSE OF YEAR</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

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

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

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



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

\*\*\*\* There are no outstanding warrants/securities convertible into equity shares as at 31<sup>st</sup> March 2016.

**V. Terms/rights attached to equity shares.**

The company has only one class of equity shares having face value of Rs. 1/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

**NOTE-4 RESERVE & SURPLUS**

<b>NOTE 4- RESERVE &amp; SURPLUS</b>	<b>31.03.2016 (RS.)</b>	<b>31.03.2015 (RS.)</b>
<b>a) Share Premium Reserves</b>		
Opening balance	155,975,000	155,975,000
Addition during the year	-	-
Less utilized for issue of bonus shares	-	-
Sub total	155,975,000	155,975,000
<b>b) General Reserve</b>		
Opening Balance	28,805,050	28,805,050
Less utilized for issue of bonus shares	-	-
Balance carried forward	28,805,050	28,805,050
<b>c) Surplus in Profit &amp; Loss Account</b>		
Opening Balance of Profits	183,506,721	163,359,558
Add : Profit for the year	40,680,759	21,910,732
Less: Previous year's amounts transferred	(5,418,150)	-
Less : Proposed Dividend on Equity Shares	(1,465,270)	(1,465,270)
Less : Dividend Distribution Tax	(298,300)	(298,300)
Sub Total	217,005,760	183,506,721
<b>G. TOTAL</b>	<b>401,785,810</b>	<b>368,286,771</b>

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

**LONG TERM BORROWINGS: SECURED LOANS:**

<b>PARTICULARS</b>	<b>31.03.2016 (Rs.)</b>	<b>31.03.2015 (Rs.)</b>
<b>TERM LOANS</b>		
a. S.B.I. Term Loan A/C No. 34001402481	141,601,073	150,766,901
Total (a)	141,601,073	150,766,901

**Terms of repayment of Term Loans**

a.S.B.I. Term Loan A/C No-34001402481 at point a) above is repayable in 66 installments which consist of First 18 installments of Rs.22.00 lacs, next 12 installments of Rs.24.00 lacs, next 24 installments of Rs.25.00 lacs , next 11 installments of Rs.29.00 lacs and last installment of Rs.31 lacs only. Present Rate of interest is 12.30% p.a. The repayment of loan has started from October 2015 on wards. Interest is paid regularly. There is no default in repayment of term loan and interest

**Security given to the bank**

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

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

**FINANCIAL LEASE HIRE CHARGES OBLIGATIONS**

<b>PARTICULARS</b>	<b>31.03.2016 (Rs.)</b>	<b>31.03.2015 (Rs.)</b>
b. Axis Bank	-	13,361,316
c. HDFC Vehicle loan	1,486,925	1,842,899
d. Kotak Mahindra Bank Ltd.	111,607	1,596,302
e. Tata Capital Financial Services Ltd	-	407,582
f. Magma Fincorp Ltd	-	578,782
Total (b)	1,598,532	17,786,881
Total (a+b)	143,199,605	168,553,782

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



### SHORT TERM BORROWINGS :

Sr.	PARTICULARS	31.03.2016 (Rs.)	31.03.2015 (Rs.)
	Working capital Limits		
g	S.B.I. E.P.C. & SLC	49,645,053	50,557,849
h	S.B.I. CCA 30729399785	336,662,517	228,085,762
i	LC Payable	-	5,205,933
j	Unsecured Loans from Directors (Mr. Nitin Bhandari)	23,189,900	15,436,000
	<b>Total (c)</b>	<b>409,497,470</b>	<b>299,285,544</b>
	<b>GRAND TOTAL (a+b+c)</b>	<b>552,697,076</b>	<b>467,839,326</b>

### Security provided to the banks, Financial institutions

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

Unsecured Loans from Director are interest free and repayable as mutually agreed between the company and director. During the year 2015-16, the Company has received Rs. 96,20,000/- unsecured loans and Rs. 18,66,100/- unsecured loans were repaid.

-CC and EPC Limits are repayable on demand. Rate of interest payable on these limits is 11.30% p.a. There is no default in repayments of the amounts and interest thereon.

-SLC limit is repayable on demand. Rate of interest payable is 12.30% p.a. There is no default in repayments of the amounts and interest thereon

### NOTE-6 DEFERRED TAX LIABILITY

PARTICULARS	31.03.2016 (Rs.)	31.03.2015 (Rs.)
Deferred Tax Liability ( See note 2.11 also)		
Opening Balance	24,207,158	22,157,158
Add:-Provision for the year	2,150,000	2,050,000
<b>Total</b>	<b>26,357,158</b>	<b>24,207,158</b>

### NOTE 7- TRADE PAYABLES

PARTICULARS	31.03.2016 (Rs.)	31.03.2015 (Rs.)
Creditors for capital goods	-	4,542,300
Trade payables	92,858,623	123,873,301
<b>Total</b>	<b>92,858,623</b>	<b>128,415,601</b>

### NOTE-8- OTHER LAIBILITIES

	31.03.2016 (Rs.)	31.03.2015 (Rs.)
Unpaid dividend ( See Note 13 also )	70,535	-
Statutory dues	724,774	1,044,276
Other payables	7,387,105	5,608,027
Cheques issued but not yet presented	602,959	1,856,226
Advances from customers	2,718,270	2,210,090
<b>Total</b>	<b>11,503,643</b>	<b>10,718,619</b>

### NOTE 9- PROVISIONS

PARTICULARS	31.03.2016 (Rs.)	31.03.2015 (Rs.)
Provision for Gratuity	1,464,700	1,464,700
Provision of Income Tax	12,000,000	5,993,085
Provision for Dividend & Dividend distribution tax	1,763,569	1,763,569
<b>Total</b>	<b>15,228,269</b>	<b>9,221,354</b>



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

NOTE -10- FIXED ASSETS /DEPRECIATION					(Amount in Rs.)					
NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2015	ADDITIONS DURING THE YEAR	SALE/TRF. DURING YEAR	GROSS BLOCK AS AT 31.03.2016	DEPRICIATION UP TO 01.04.2015	DEPRICIATION WRITTEN BACK	DEPRICIATION FOR THE YR. UP TO 31.03.2016	DEPRICIATION UP TO 31.03.2016	NET BLOCK AS AT 31.03.2016	NET BLOCK AS AT 31.03.2015
<b>(I) TANGIBLE ASSETS</b>										
FREE HOLD LAND	3732500	0	0	3732500	0	0	0	0	3732500	3732500
BUILDING & SITE DEVELOPMENT	166706310	0	0	166706310	25619389	0	5284590	30903979	135802331	141086921
TEMPORARY FITTING	916131	0	0	916131	593379	0	290139	883518	32613	322752
PLANT & MACHINERY	323879435	2743000	2785850	323836585	50476090	861437	20637001	70251655	253584931	273403345
FURNITURE & FIXTURE	6432601	0	0	6432601	3846331	0	611097	4457428	1975173	2586270
OFFICE EQUIPMENT	2217707	128001	0	2345708	1065029	0	358358	1423387	922321	1152678
ELECTRIC FITTING & EQUIPMENTS	16350089	356124	0	16706213	8471335	0	1608855	10080190	6626023	7878754
CAR	12776783	0	0	12776783	8392125	0	1213794	9605919	3170864	4384658
VEHICLES	1154945	1113900	0	2268845	682332	0	280888	963220	1305625	472613
<b>TOTAL</b>	<b>534166500</b>	<b>4341025</b>	<b>2785850</b>	<b>535721675</b>	<b>99146010</b>	<b>861437</b>	<b>30284722</b>	<b>128569296</b>	<b>407152380</b>	<b>435020490</b>
CAPITAL WORK IN PROGRESS. I	0	0	0	0	0		0		0	0
CAPITAL WORK IN PROGRESS. II	0	0	0	0	0				0	0
CAPITAL WIP CETP	547200	0	0	547200	0				547200	547200
(II) INTANGIBLE ASSETS (COMPUTER SOFTWARES)	220958	0	0	220958	64725	0	0	64725	156233	156233
<b>TOTAL</b>	<b>534934658</b>	<b>4341025</b>	<b>2785850</b>	<b>536489833</b>	<b>99210735</b>	<b>861437</b>	<b>30284722</b>	<b>128634021</b>	<b>407855813</b>	<b>435723923</b>
Previous year	387407587	376493430	228966359	534934658	88538602	1979936	12652069	99210735	435723923	298868985

### NOTE-11-INVENTORIES

PARTICULARS	AS AT 31.03.2016 (RS.)	AS AT 31.03.2015 (RS.)
<b>(Valued at Cost or net realizable value, whichever is lower as certified by the Management of the Company)</b>		
-Stores and Spares( At cost )	6,927,450	27,654,950
-Raw Materials ( At cost )	142,748,957	85,274,166
-Finished Goods & wastage ( At cost or net realizable value whichever is lower)	180,225,488	108,783,194
- Work-in-Progress( At estimated cost)	108,832,344	232,584,736
	<b>438,734,239</b>	<b>454,297,046</b>

#### Inventories: Method of Valuation

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

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

### NOTE-12-TRADE RECEIVABLES

a) Debts out standing for a period exceeding six month from the date they are due for payment	31.03.2016 (Rs.)	31.03.2015 (Rs.)
(Unsecured, Considered Goods unless otherwise stated)		
-Domestic	13,942,935	40,806,630
-Foreign	-	-
<b>Total</b>	<b>13,942,935</b>	<b>40,806,630</b>
b) Others		
-Domestic	288,641,111	155,194,607
-Bad Debts	4,566,945	-
- Foreign	28,318,684	25,223,927
<b>Total</b>	<b>321,526,740</b>	<b>180,418,534</b>
Less Provision for bad & doubtful debts	-	1,100,000
Less Negotiated from Bank	29,778,598	26,277,114
<b>G. Total</b>	<b>305,691,078</b>	<b>193,848,050</b>





### NOTE-13-CASH & BANK BALANCES

PARTICULARS	31.03.2016 (Rs.)	31.03.2015 (Rs.)
Cash in hand	4,396,675	391,303
Cheques deposited but not clear	4,896,531	1,597,870
Balance with scheduled banks	1,273,394	840,635
Bank Deposit with original Maturity of More than 3 months and up to 12 months.	2,020,464	1,868,306
Balance at sales points	1,719,723	-
<b>TOTAL</b>	<b>14,306,786</b>	<b>4,698,115</b>

### NOTE-14-LOANS & ADVANCES

PARTICULARS	31.03.2016 (RS.)	31.03.2015 (RS.)
<b>( Unsecured, Considered Good unless otherwise stated )</b>		
a) Advances recoverable in cash or kind or value to be received	452,082	429,024
Less:-Provision for unrecoverable Receivables	-	-
<b>Sub Total</b>	<b>452,082</b>	<b>429,024</b>
b) Securities and Deposits	1,879,269	1,795,269
<b>TOTAL</b>	<b>2,331,351</b>	<b>2,224,293</b>

### NOTE 15- OTHER CURRENT ASSETS

<u>Other Current Assets</u>	31.03.2016 (Rs.)	31.03.2015 (Rs.)
VAT Refund Receivable	13,827,749	7,674,648
Export incentive Receivables	1,161,287	4,266,919
Advance to Employees	1,433,000	12,000
Advance Income Tax	6,715,420	5,331,968
Advances to suppliers for capital goods		915,270
Advances to suppliers	54,900,806	46,223,547
<b>TOTAL</b>	<b>78,038,262</b>	<b>64,424,352</b>

### NOTE-16- REVENUE FROM OPERATIONS

PARTICULARS	31.03.2016 (RS.)	31.03.2015 (RS.)
<b>Turnover</b>		
Sales -Export	79,876,607	139,049,183
Sales-Domestic	1,905,900,796	1,109,868,115
	<b>1,985,777,403</b>	<b>1,248,917,297</b>

### NOTE-17- OTHER INCOME

PARTICULARS	31.03.2016 (RS.)	31.03.2015 (RS.)
Rent Received	-	276,000
Insurance Claim	800,860	120,254
Freight Recd	48,270	-
Interest on FDR	248,320	336,178
<b>Total</b>	<b>1,097,450</b>	<b>732,432</b>



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

<b>PARTICULARS</b>	<b>31.03.2016 (RS.)</b>	<b>31.03.2015 (RS.)</b>
<b><u>Material Consumed</u></b>		
Opening stock of Raw materials	85,274,166	51,932,981
Purchase of raw materials	513,932,313	235,603,570
<b>Sub Total</b>	<b>599,206,479</b>	<b>287,536,551</b>
Less: Closing stock of raw materials	142,748,956	85,274,166
<b>Material Consumed</b>	<b>456,457,523</b>	<b>202,262,385</b>
Add: Purchase of finished and semi-finished goods	1,082,475,034	837,574,629
<b>G Total</b>	<b>1,538,932,556</b>	<b>1,039,837,014</b>

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

<b>Increase(-)/Decrease (+) in stock</b>	<b>31.03.2016 (RS.)</b>	<b>31.03.2015 (RS.)</b>
<b>Closing stock of WIP</b>	<b>180,225,488</b>	<b>232,584,736</b>
<b>Closing stock of finished goods</b>	<b>108,832,344</b>	<b>108,783,194</b>
<b>Sub Total (a)</b>	<b>289,057,832</b>	<b>341,367,930</b>
<b>Less:</b>		
<b>Opening stock of Work-in-Process</b>	<b>232,584,736</b>	<b>102,315,658</b>
<b>Opening stock of finished goods</b>	<b>108,783,194</b>	<b>196,964,562</b>
<b>Sub Total (b)</b>	<b>341,367,930</b>	<b>299,280,220</b>
<b>Increase(-)/Decrease (+) in stock (b-a)</b>	<b>52,310,098</b>	<b>(42,087,710)</b>

#### **NOTE 20- EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>31.03.2016 (Rs.)</b>	<b>31.03.2015 (Rs.)</b>
<b>Mg. Director's Remuneration</b>	<b>1,440,000</b>	<b>1,440,000</b>
<b>Wages</b>	<b>23,631,736</b>	<b>25,462,072</b>
<b>Salary</b>	<b>19,153,254</b>	<b>17,827,702</b>
<b>Contribution. to PF, ESI etc.</b>	<b>3,215,911</b>	<b>2,487,297</b>
<b>Worker's Welfare, Bonus, gratuity ,LWW, L.T.C. etc.</b>	<b>2,398,703</b>	<b>1,237,789</b>
<b>Total</b>	<b>49,839,604</b>	<b>48,454,860</b>

#### **Retirement Benefits:**

a) Short Term Benefits

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

b) Long Term Post retirement

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

i) Provident Fund

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

ii) Gratuity Fund

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

iii) Leave with Wages

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



## NOTE-21 FINANCE COSTS

<b>PARTICULARS</b>	<b>31.03.2016 (RS.)</b>	<b>31.03.2015 (RS.)</b>
<b><u>FINANCIAL EXPENSES</u></b>		
Bank Charges & Commission	2,782,043	4,463,772
Bank Interest	64,933,866	33,200,523
<b>Total</b>	<b>67,715,909</b>	<b>37,664,295</b>

## NOTE -22 OTHER EXPENSES

<b><u>Manufacturing Expenses</u></b>	<b>31.03.2016 (Rs.)</b>	<b>31.03.2015 (Rs.)</b>
Consumables	5,262,566	10,945,764
Dyeing & Finishing	99,426,237	46,724,397
Testing & Sampling	-	1,043,415
Knitting Charges / Fabrication Charges	8,219,480	8,375,433
Power & Fuel	46,204,904	26,635,788
<b>Auditors Remuneration</b>		
-As Auditors-Audit Fees	104,526	111,236
-For Taxation matters-Tax Audit Fees	-	-
-For Other Services	-	-
<b>OTHER OFFICE &amp; ADMINISTRATIVE EXPENSES:</b>		
<b><u>Repair &amp; Maintenance</u></b>		
- Building	973,254	101,560
- Electric	1,325,577	334,274
- General	1,099,972	556,142
- Machinery	2,961,353	1,327,368
- Vehicle	456,771	579,617
Telephone & Telex	588,071	452,165
Printing & Stationery	1,333,855	1,570,012
Insurance Charges	699,911	824,289
<b><u>Traveling &amp; Conveyance</u></b>		
-Directors (Foreign)	1,081,485	369,020
-Directors (Domestic)	30,118	98,344
-Others	3,049,284	3,568,297
Charity and Donation	5,100	6,000
Vehicle Running Expenses	328,067	333,515
Legal & Professional	3,053,591	919,708
Fee & Taxes	725,440	991,462
Misc. Expenses	685,679	264,281
Loss on sale of assets	281,505	1,351,014
Rent paid for showrooms	776,000	200,000
<b><u>Selling &amp; Distribution Expenses</u></b>		
Commission	1,221,039	886,416
Export Expenses	58,941	87,674
Courier expenses	1,182,126	1,085,666
ECGC Premium	200,310	366,714
Packing Material	3,603,546	3,851,072
Rebate & Discount ( Sales )	332,746	574,716
Rebate & Discount ( Quality Claim )	1,755,954	1,004,318
Sale Promotion & Exhibition	1,467,606	232,348
Shipping & Freight	4,466,193	7,403,358
<b>Total</b>	<b>192,961,205</b>	<b>123,175,384</b>



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

PARTICULARS		31.03.2016 (RS.)	31.03.2015 (RS.)
<b>Auditors Remuneration</b>			
As Auditor- Audit Fee		104,526	111,236
For Taxation Matters- Tax Audit		-	-
For Other Services		-	-
		104,526	111,236

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

SR.	PARTICULARS	F.Y. ENDED 31 <sup>ST</sup> MARCH, 2016	F.Y. ENDED 31 <sup>ST</sup> MARCH, 2015
A	Net profit as per Statement of Profit and Loss	40,680,759	21,910,732
B	Net profit available to Equity Share holders	40,680,759	21,910,732
C	No. of equity shares at year end of face value of Rs. 1/- each (Previous year face value of Rs. 10/- each)	146,526,950	14,652,695
D	Weighted average number of Equity shares used as denominator for calculating EPS *	146,526,950	14,652,695
E	Face value per Equity Share	Rs. 1/-	Rs. 10/-
F	Basic and Diluted Earning per Share (Rs.) (Current Year Face Value Rs. 1/- each, Previous Year Face Value Rs. 10/- each)	0.28	1.50
G	Re-stated EPS for comparison at Face Value of Rs. 1/- per share for both years*	0.28	0.15

\*During the financial year ended 31st March, 2016, the Company's equity shares of Rs. 10/- each were split/ subdivided into Equity shares of Rs. 1/- each resulting in increase in number of equity shares from 1,46,52,695 equity shares of Rs. 10/- each to 14,65,26,950 equity shares of Rs. 1/- each. Accordingly to maintain uniformity and better comparability, the E.P.S. of previous periods are re-stated as per sub-divided equity shares.

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

**Sd/-**  
**(Vipin Kumar Aggarwal )**  
**Proprietor**  
**Membership No. 081198**  
**Place : Ludhiana**  
**Date : 22.07.2016**

**Sd/-**  
**(Manoj Kumar)**  
**Chief Financial Officer**

**Sd/-**  
**(Gurinder Makkar )**  
**Company Secretary**

**Sd/-**  
**(Vikas Nayar)**  
**Director**  
**DIN:00071047**

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



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



**BHANDARI HOSIERY EXPORTS LIMITED**

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

**Form No. MGT-11 - Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

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

1. Name : .....

1. Name : .....

2. Address : .....

2. Address : .....

3. E-mail Id : .....

3. E-mail Id : .....

4. Signature : .....  
or failing him

4. Signature : .....  
or failing him

1. Name : .....

2. Address : .....

3. E-mail Id : .....

4. Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the company, to be held on Thursday, the 29<sup>th</sup> day of September, 2016 at 09.00 a.m. at registered office of the company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)** and at any adjournment thereof in respect of such resolutions as are indicated below:

RESO. NO.	RESOLUTIONS	OPTIONAL (PLEASE MARK TICK)	
		FOR	AGAINST
1.	Adoption of Audited Balance Sheet as at 31st March, 2016, Statement of Profit and Loss for the year ended on that date together with the Cash flow Statement and Reports of the Auditors and Directors thereon		
2.	To consider Declaration of Dividend for the year 2015-16, on equity shares.		
3.	Reappointment of Mr. Vikas Nayar as Director who retires by rotation		
4.	Ratification of appointment of M/s Vipin Kumar Aggarwal & Co. as Statutory Auditors of the Company		
	Special Business		
5.	To appoint Mr. Arun Kumar Oberoi as Independent Director		
6.	To approve remuneration payable to Cost Auditors for the year 2016-17		

Signed this..... day of ..... 2016

Signature of Shareholder.....

Affix  
Revenue  
Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.

**BHANDARI HOSIERY EXPORTS LIMITED**

**ATTENDANCE SLIP**

I hereby record my presence at the 23<sup>rd</sup> **ANNUAL GENERAL MEETING** of the Company being held on Thursday, the 29<sup>th</sup> day of September, 2016 at 9.00 a.m. at the Registered Office of the Company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)**

Full Name of the Shareholder(S).....No. of shares held.....

Folio No .....

D. P. ID/ Client ID. ....

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

SIGNATURE.....





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

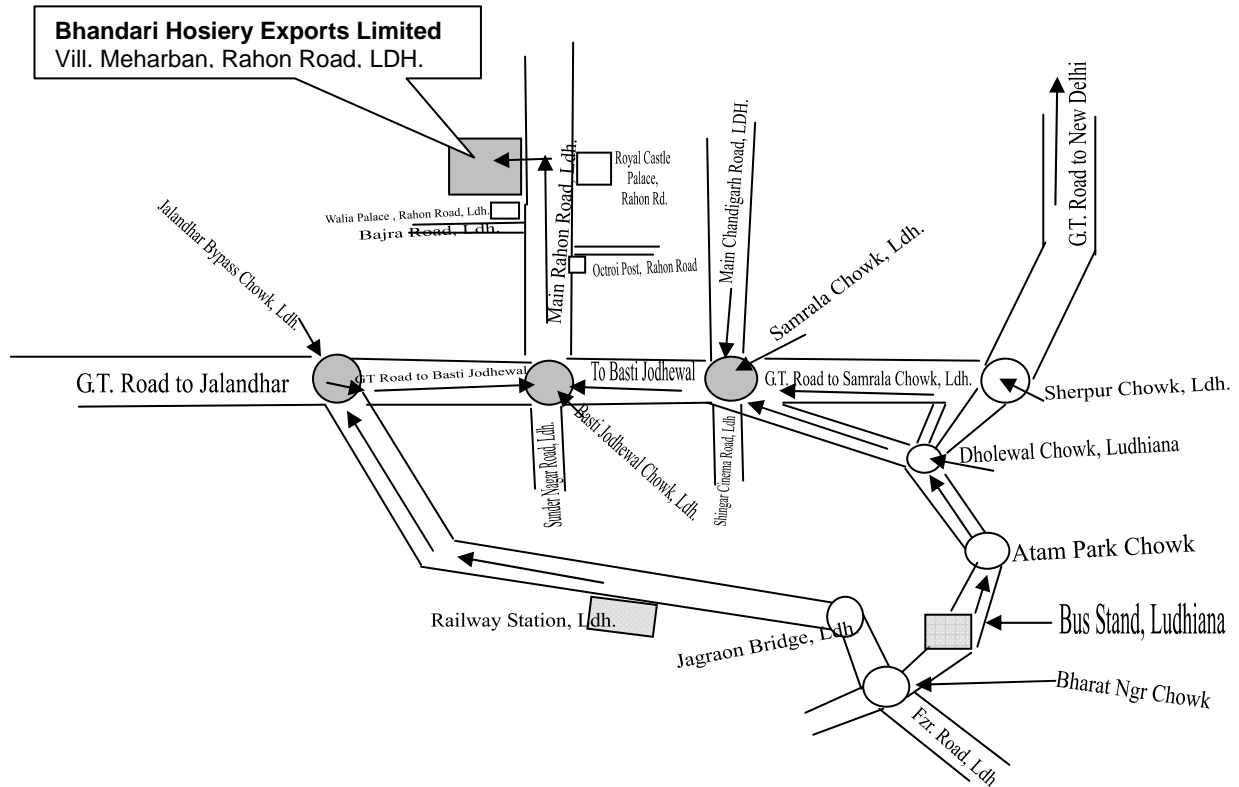
**ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING OF**

**BHANDARI HOSIERY EXPORTS LIMITED**

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

CIN: L17115PB1993PLC013930

The 23rd Annual General Meeting of the Members of the Company to be held on Thursday, the 29<sup>th</sup> day of September, 2016 at 9.00 A.M. at the Registered Office of the Company





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

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



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