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
Web: www.bhandariexport.com
Corporate Identification No. / CIN: L17115PB1993PLC013930

TO

26.08.2017

BSE LIMITED . FLOOR 25, FEROZE JEEJEEBHOY TOWERS, DALAL STREET , MUMBAI- 400001 (PHONES: 022- 22721233-34 FAX:22722082, 22722037	NATIONAL STOCK EXCHANGE OF INDIA LIMITED EXCHANGE PLAZA, BANDRA KURLA COMPLEX, BANDRA EAST, MUMBAI - 400051 BOARD: 022 - 26598100 (EXT: 22348); DIRECT: 022 26598346;

REG: NOTICE AND ANNUAL REPORT OF THE COMPANY FOR YEAR 2016-17

DEAR SIR

Pursuant to the provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the Notice for 24th Annual General Meeting/ Annual Report (2016-17) of the Company.

Thanking You
Yours Faithfully
For Bhandari Hosiery Exports Limited

(GURINDER SINGH MAKKAR)
COMPANY SECRETARY

BHANDARI HOSIERY EXPORTS LIMITED

24TH ANNUAL REPORT 2016-17

ADDING COLOURS TO FABRIC
WITH
INNOVATION &
TECHNOLOGY

COMMITTED GROWTH IN
CIRCULAR KNITTING
FABRIC DYEING
FINISHING &
GARMENTING

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BHANDARI
Hosiery Exports Limited

For more information, log on to
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

Andhra Bank
B-XV-295/B & B-XV-295/ C, Near Oswal Street, Millerganj, G T Road,
Ludhiana-141003

INDEPENDENT AUDITORS
M/S Vipan Kumar Aggarwal & Co.
SCO 15-16, 3rd Floor, Jhandu Towers,
Miller Ganj, GT Road
Ludhiana-141003 Punjab

COMPANY SECRETARY
Mr. Gurinder Singh Makkar

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

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
CIN : L17115PB1993PLC013930

WEBSITE
www.bhandariexport.com

REGISTERAR AND SHARE TRANSFER AGENTS

M/S Link Intime India Pvt Ltd.,
44, Community Centre, 2ND 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

ISIN
INE474E01029

LISTING: BSE, NSE

BHANDARI HOSIERY AT A GLANCE

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

Strong Global & Domestic Clientele

GLOBAL BRANDS

DOMESTIC BRANDS

BUSINESS VERTICALS - FABRICS & GARMENTS

PRODUCTS PROFILE

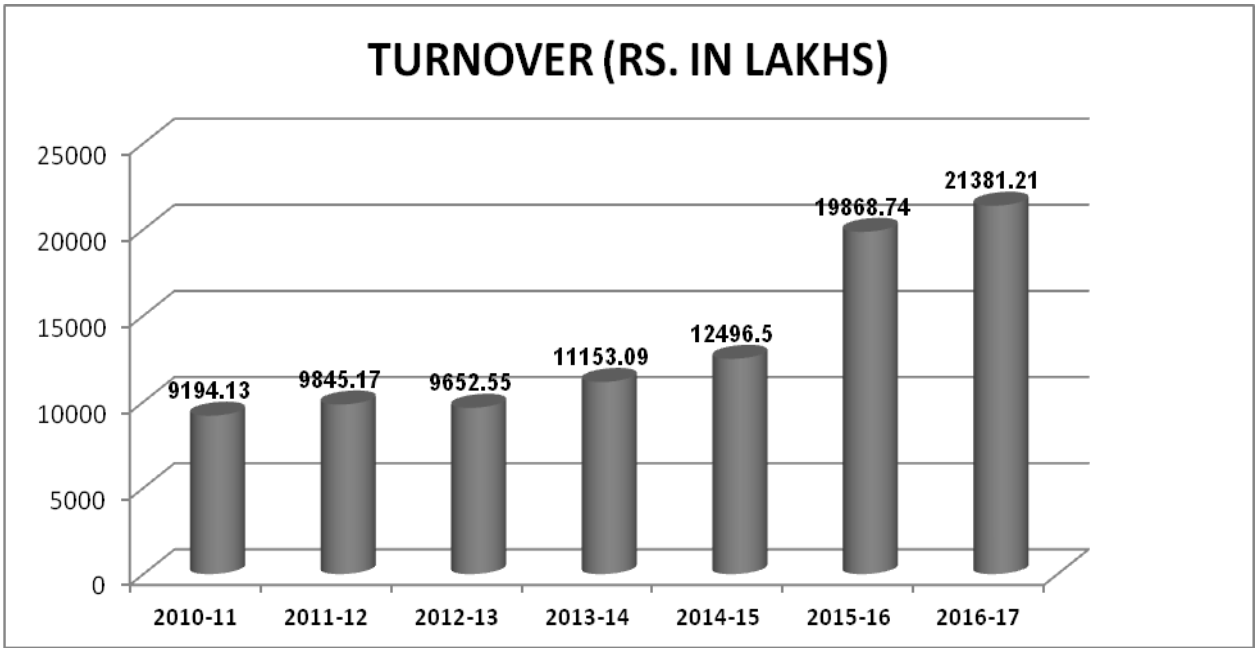
FABRICS

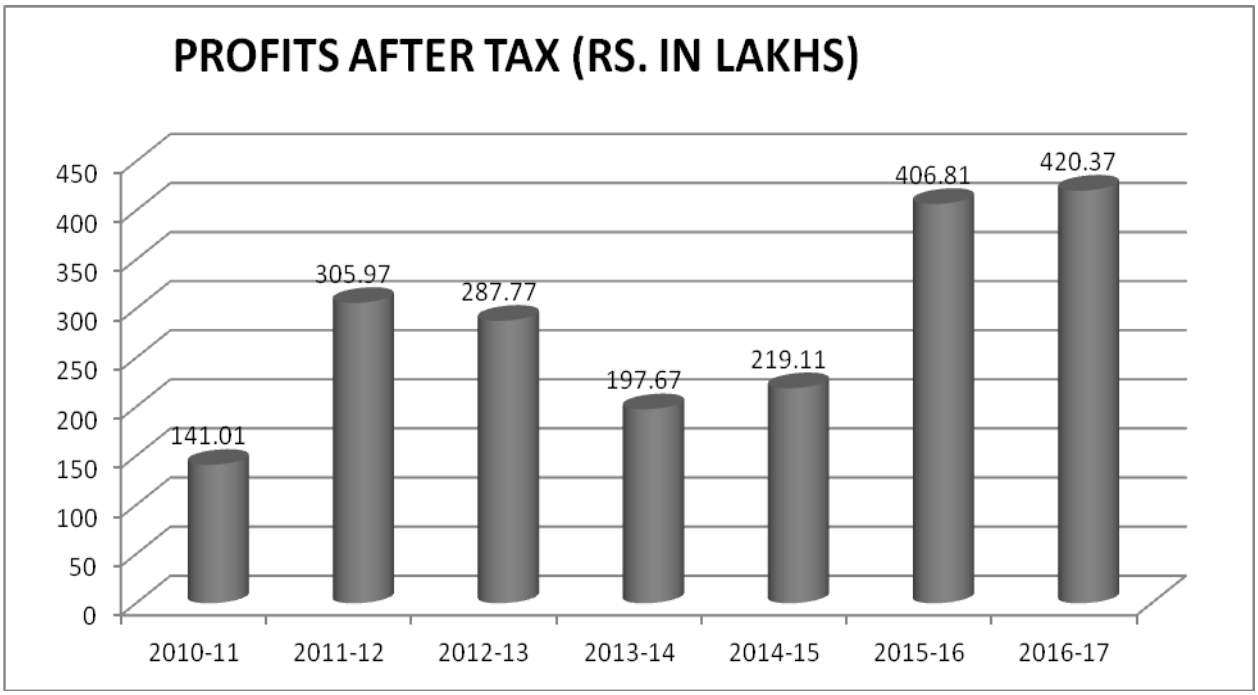
- **Circular Knitted Fabrics**
  - Natural
  - Synthetic
- **Open & Tubular width Fabrics**
- **Specialised Finishes**
  - Teflon
  - Stain resistance
  - Viscose
  - Lycra

GARMENTS

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

FINANCIAL PERFORMANCE





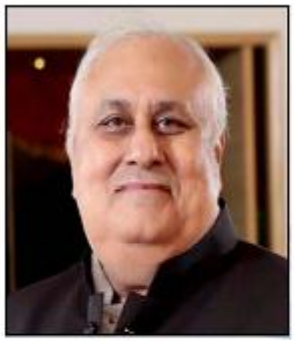
FROM KNITTING TO FINAL GARMENTING, BHANDARI HOSIERY HAS ALL THE SOLUTIONS AT ONE PLACE.

SEEN HERE IS ONE OF OUR IMPORTED CIRCULAR KNITTING MACHINES WHERE EXQUISITE FABRICS OF VARIOUS TEXTURE ARE DEVELOPED AND PRODUCED. WE HAVE INSTALLED MOST MODERN IMPORTED CIRCULAR KNITTING MACHINES FROM MAYER & CIE (GERMANY), ORIZIO (ITALY), JUMBERCA (SPAIN) AND TERROT (GERMANY).

BOARD OF DIRECTORS

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

MR. VIKAS NAYAR
NON-EXECUTIVE DIRECTOR
DIN-00071047



MR. ARUN KUMAR OBEROI
INDEPENDENT DIRECTOR
DIN-01170728

MS. MANMEET SIKKA
INDEPENDENT/ WOMAN DIRECTOR
DIN-07135079

CHAIRMAN & MG. DIRECTOR'S MESSAGE

Dear Shareholders,

I have great pleasure in presenting the Twenty Fourth Annual Report and Audited Financial Statements for the financial year ended 31st March, 2017. Year 2016-17 has been a very interesting year. The U.S. Presidential election and its impact on globalization grabbed political headlines. In India, demonetization was an unexpected shock to an economy preparing for arrival of the biggest tax reform since independence.

In terms of business, the US consumer market continued to remain steady with soaring housing prices and low interest rates. EU has been grappling with multiple years of slowdown. The Chinese economy also has clearly cooled down. Apparel exports from India remained flat, although overall textiles exports from India fell during the year on account lower yarn and fabric exports. India textile exports have fallen by 5% in FY16-17 also due to fall in cotton textile. While the medium term outlook for Indian textile remains strong, there are many near term challenges that can impact the growth of the sector. Despite the impact of demonetization in parts of Q3 and Q4, the domestic market grew by about 10% during the year. It is expected that in the current year, Implementation of GST will bring few fundamental shifts in the textile and apparel market.

The Indian textile industry market share presently is USD 120 billion and is expected to reach US$ 230 billion by 2020. The apparel market in India is estimated to grow at a Compound Annual Growth Rate (CAGR) of 11.8 per cent to reach US$ 180 billion by 2025. The Government and industry and is taking all steps to promote textile exports, which is the need of the hour. The Indian economy grew at 7.1 per cent in 2016-17 and seemed to have affected by demonetization and other factors.

Despite challenging global and Indian scenario, the Company recorded a very good performance in terms of increased turnover as well as increased profitability. Your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2016-17, your Company was able to achieve turnover of Rs. 21381.21 Lacs as against Rs. 19868.75 Lacs in the previous year, showing an increase of 7.61 over the previous year. The Profits after Tax of the Company for the year ended 31.03.2017 has been Rs.420.37 Lacs as against Rs. 406.81 Lacs in the previous year showing an increase of 3.33% over the previous year. The Exports of the Company for the financial year ended 31st March, 2017 were to the tune of Rs. 1282.34 lacs as against Rs. 798.76 Lacs in the previous year, showing an increase of 60% over the previous year

During the year under review, the Company undertook its second phase of expansion in dyeing and fabric processing unit by installing imported high technology fabric dyeing machines, fabric stenter , circular knitting machines, automatic colour mixing and dispenser machine, collar knitting machines, high power brushing machines and heat recovery unit. The Company also undertook implementation of RO/ZLD Plant with a view to save water and make industry more environment friendly.

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 24th Annual General Meeting of the Members of the Company will be held on Tuesday, the 26th day of September, 2017 at 9.10 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 31st March, 2017 together with the Reports of the Auditors and Directors thereon.
2. To consider declaration of dividend on Equity Shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Sh. Nitin Bhandari (DIN 01385065), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To consider the appointment of M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N) as Statutory Auditors in place of retiring Auditors, M/s Vipan Kumar Aggarwal & Co, retiring Statutory Auditors and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N), be and is hereby appointed as Statutory Auditors of the Company in place of M/s Vipan Kumar Aggarwal & Co, retiring Statutory Auditors, , to hold office from the conclusion of this Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company, subject to ratification of their appointment by members at every Annual General Meeting, on a remuneration as may be agreed upon mutually by 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** 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 2017-18, 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."

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

   "RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, consents and provisions as are required to be complied with, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Nitin Bhandari (DIN: 01385065) as Chairman & Managing Director and CEO of the Company, for a period of 3 (three) years with effect from 22.11.2017, on following terms and conditions including remuneration subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

1	**PERIOD OF APPOINTMENT**	Three years w.e.f. 22.11.2017
2	**DESIGNATION / POSITION**	Chairman & Mg. Director and CEO
3	**CONSOLIDATED SALARY**	Rs. One Lac Twenty Thousand per month.
	PERQUISITES	Additionally allowable perquisites as specified in Section IV of of Part II of Schedule V to the Companies Act, 2013 shall be such as in accordance with the rules of Company or as may be fixed and decided by the Board of Directors from time to time.
4	**MINIMUM REMUNERATION**	In the event of loss or inadequacy of profits, the remuneration as above shall be paid as minimum remuneration.
5	**OVERALL CEILING**	In any event, the Remuneration shall not exceed limits specified under paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration
6	**POWER TO VARY**	After the approval of the shareholders to the same, the Board shall have the powers to vary or enhance the remuneration from time to time at its discretion on the recommendations of Remuneration Committee within the overall limits specified in subject to the limits specified under paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time, without referring the same again to General Meeting.
7.	**OTHER TERMS OF APPOINTMENT**	1. He shall report to the Board of Directors of the Company who shall empower him with such requisite powers (with authority to revoke and/or amend such powers) to enable him to discharge his duties with full responsibility or the area of operations under his control. 2. He shall work under the superintendence, control and direction of the Board of Directors of the Company. 3. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors. 4. The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel. 5. He shall be liable to retire by rotation in accordance with the provisions of Companies Act, 2013 and/or Articles of Association of the Company. 6. He shall not be entitled to any sitting fee for Meetings of the Boards or Committees thereof. 7. In case Managing Director draws remuneration as a managerial person from another Company, the total remuneration payable by both the Companies shall not exceed the higher maximum limit permissible for any one of the Companies. 8. MD shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company. 9. The appointment may be terminated by either party by giving six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice. 10. The Appointee is appointed as Director by virtue of their employment in the Company and their appointment shall be subject to the provisions of Section 167 of the Act. 11. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Appointee unless specifically provided otherwise. 12. All other general terms of employment and other existing terms and conditions of employment not covered elsewhere shall remain unchanged. 13. All other terms and general conditions of appointment as applicable to key employees of the Company and Key Managerial Personnel of the Company shall apply to him.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary, in accordance with the terms and conditions stated above, the scope of remuneration of Mr. Nitin Bhandari Chairman and Managing Director ,including monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered necessary, subject to the overall limits as specified by the Companies Act, 2013."

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

By Order of the Board of Directors

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

Place : Ludhiana
Dated : 08.08.2017

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. 3 and 6 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 Wednesday, the 20th September, 2017 to Tuesday, the 26th September, 2017 (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 19th September, 2017.
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 and 2016-17. 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 and then for the year 2015-16 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- 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) . Shareholders / Investors who have not encashed their Dividend Warrants if any, for year 2014-15 and 2015-16, 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 2016-17 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 2016-17 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 2016-17 is being sent in the permitted mode.
18. The Company declares that its equity shares are listed on the BSE Ltd. (BSE), and National Stock Exchange of India Ltd. (NSE) Mumbai. The Company has paid the annual listing fee upto year 2017-18 to the above stock exchanges.
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, 2nd 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 24th Annual General Meeting and the Annual Report for year 2016-17 will also be available on the Company's website 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

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 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL)

(B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through electronic voting system or ballot or polling paper at the AGM..

(C) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

(D) The remote e-voting period commences on Friday, September 22, 2017 (9.00 a.m. IST) and ends on Monday, September 25, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Tuesday, September 19, 2017, 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 19, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or 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 and www.evotingindia.com. The results shall simultaneously will be communicated to the BSE Ltd and NSE.

(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. 26th September, 2017.

Instructions for E-Voting

The instructions for shareholders voting electronically are as under:

(i) The remote e-voting period commences on Friday, September 22, 2017 (9.00 a.m. IST) and ends on Monday, September 25, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Tuesday, September 19, 2017, 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) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) 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.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) 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) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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. • 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).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant BHANADRI HOSIERY EXPORTS LIMITED on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) 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 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.

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 should be mailed to 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) 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, under help section or write an email to 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. 4 of the Ordinary Business:**

Though not required statutorily, the below statement is provided as an additional information to the members.

M/s Vipan Kumar Aggarwal & Co, Chartered Accountants has been Associated with the Company as the Statutory Auditors for more than a decade. As per the provisions of Section 139 of the Companies Act, 2013 ("Act"), no listed company can appoint or re-appoint an audit firm as an auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a time period to comply with the aforesaid requirements i.e. a period which shall not be later than the date of the first annual general meeting of the company held after three years from the date of commencement of this Act. So it is proposed to appoint M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N) for a period of 5 years.

M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N) have consented to the said appointment and confirmed that they are eligible for appointment as Statutory Auditors of the Company under Section 139 of the Act and meet the criteria for appointment specified in Section 141 of the Act .

Further, they have also confirmed that they are not disqualified from being appointed as auditors under the applicable provisions of the Act and the rules or regulations made thereunder and proposed appointment will be as per the terms provided under the provisions of the Act.

In view of the above, M/s Krishan Goel & Associates, Chartered Accountants, being eligible for appointment and based on the recommendation of the Audit Committee, the Board of Directors has proposed the appointment of M/s Krishan Goel & Associates, Chartered Accountants as the Statutory Auditors of the Company for a period of five years and to hold the office of Statutory Auditor from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company (subject to ratification of their appointment at every Annual General Meeting).

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set out in Item no. 4 for approval of the Members to be passed as an Ordinary Resolution.

***For Item No. 5 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 2017-18 at a total remuneration of Rs. 30000/- (Rs. Thirty Thousand only) plus service tax/GST 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2017-18.

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.5.

Your Directors, therefore, recommend the said Resolution at Item No. 5 for your approval.

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

Mr. Nitin Bhandari was appointed as Chairman cum Managing Director of the, for a period of 3 (three) years with effect from 22.11.2014 .The present term of Shri Nitin Bhandari will expires on 21.11.2017. Accordingly the approval of Members by way of Special Resolution is being sought to re-appoint him as Chairman Cum Mg. Director and CEO of the Company for a period of 3 year w.e.f 22.11.2017 at existing remuneration of Rs. 120000/- per month as recommended by Nomination and Remuneration Committee and approved by the Board of Directors.

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

Mr. Nitin Bhandari aged 34 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has gained vast experience in the fields of production management, merchandising, setting up of new projects and modernization, liaison with foreign and domestic buyers, marketing, cost & wastage control etc. Considering the above facts, Mr. Nitin Bhandari's qualification and experience and his importance to the Company, he has proved to be an asset to the organization and his continued association would be of immense benefit to the Company. Therefore the Board of Directors of the Company has re-appointed him as Chairman cum Mg. Director and CEO of the Company for a further period of 3 (three) years with effect from 22.11.2017 on the terms and conditions including remuneration as detailed in the Resolution set out in the Notice.

Mr. Nitin Bhandari is not a director in any other Company. He holds 25178300 (17.18%) Equity shares in the Company. He is a Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Company.

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

I. General Information		
Nature of industry	Manufacture and Export of Knitted readymade Garments	
Date or expected date of commencement of commercial production	Company was incorporated on 25th November, 1993 and the Certificate of Commencement of Business was dated 07th December, 1993. The Company had already commenced commercial production..	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial performance based on given indicators	The details of financial performance of the Company for the years 2016-17 and 2015-16 are provided in the Annual Report which accompanies this Notice.	
Foreign investments or collaborations, if any	The Company has not entered into any material Foreign collaboration and no direct capital investment has been made in the company. Foreign Investors, mainly comprising NRIs, FIIs and/or Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases. The Company has no subsidiaries/holding companies/Joint Ventures as on 31.03.2017.	
II. Information about the appointee		
Background details	Name and Designation	Shri Nitin Bhandari, Chairman & Mg. Director and CEO .
	Date of Birth	24.08.1983
	Father's Name	Shri Naresh Bhandari
	Nationality	Indian
	Qualifications	MBA in Entrepreneurial Management from European Business School, London, U.K.

Past remuneration	He was paid a remuneration of Rs. 14,40,000/- during the year 2016-17. He is proposed to be re-appointed at existing consolidated monthly salary of Rs. 1,20,000/- per month. There is no change in proposed remuneration of the appointee.
Recognition or awards	None.
Job profile and his suitability	Shri. Nitin Bhandari holds an MBA degree in Entrepreneurial Management from European Business School, London, U.K. Masters. He has over 12 years of professional experience in the overall managerial area. Taking this into consideration, the Board has bestowed the leadership of the Organization to Shri. Nitin Bhandari.

Remuneration proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable with the industry standards for a director of similar profile.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Nitin Bhandari is Promoter and Managing Director of the company and holds 25178300 (17.18%) equity shares in the Company.
III. Other information	
Reasons of loss or inadequate profits	The Company has profits in the past years as well as in 2015-16 and 2016-17. In 2016-17, the profits of the Company after Tax are Rs. 420.36 Lacs and are adequate. The Company expects to grow in terms of turnover and profitability. But in future profits may become inadequate due to Higher interest cost, general reversionary trend in the textile industry, global slowdown, modernization and expansion costs, ambiguous government policies and unprecedented volatility in prices of raw materials and competition.
Steps taken or proposed to be taken for improvement	The Company has taken various initiatives viz. product innovation, enhancements of production capacities and customers base, reduction of various costs, better market penetration, exploring new buyers and improvement in realization etc. It is expected that the performance of Company will further improve during the next financial year as initiatives taken by the Company for increase its productivity and efficiency. The turnover and profitability will also improve further, but are not measurable as the same are influenced by various factors such as market prices of raw materials and cost of various inputs etc.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve further the Company's performance and profitability in the future.
IV. Disclosure: The disclosures as to remuneration and other details as required are given elsewhere in the Annual Report 2016-17	

None of the Directors and Key Managerial Personnel except Shri. Nitin Bhandari as an appointee may be deemed to be concerned or interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board of Directors
Sd/-

Place : Ludhiana
Dated : 08.08.2017

(NITIN BHANDARI)
Chairman & Mg. Director

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. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)
CATEGORY	MG. DIRECTOR & CEO
DIN	01385065
DATE OF BIRTH	24.08.1983
DATE OF APPOINTMENT	23.11.2009
QUALIFICATION	MBA in Entrepreneurial Management from European Business School, London, U.K.
SHAREHOLDING IN THE COMPANY	25178300(17.18%) Equity shares
RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY	NIL
DIRECTORSHIP/CHAIRMANSHIP IN OTHER PUBLIC COMPANIES	NONE
DIRECTORSHIP OF PRIVATE COMPANIES/PARTNERSHIPS/LLP	NONE
MEMBERSHIP/ CHAIRMANSHIP OF COMMITTIEES OF BOARD OF OTHER COMPANIES	NIL
EXPERTISE	Mr. Nitin Bhandari aged 34 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has developed vast experience in the fields of production management, merchandising, setting up of new textiles projects, their modernization and expansion, viability, liaison with foreign and domestic buyers, marketing, cost & wastage control etc.
DETAILS OF THE REMUNERATION DRAWN	Refer form MGT-9 to Directors' Report
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR AND OTHER DIRECTORSHIPS	Refer Corporate Governance Report forming part of Annual Report

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

Place : Ludhiana
Dated : 08.08.2017

DIRECTORS' REPORT

To
The Members,
BHANDARI HOSIERY EXPORTS LIMITED

Your Directors have pleasure in presenting their 24th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS **(RS. IN LACS)**

PARTICULARS	2016-17	2015-16
Turnover	21381.21	19868.75
GROSS PROFIT before interest depreciation and tax	1306.88	1528.31
Less: Financial expenses	471.08	677.16
Less: Depreciation and preliminary exp. written off	307.18	302.84
PROFIT BEFORE TAX	528.62	548.31
Less: Provision for tax	-108.25	-141.50
PROFIT AFTER TAX	420.37	406.81
Add: Balance brought forward	2170.05	1835.06
Less : Previous Years amounts transferred	1.77	-54.18
Amount available for appropriation(s)	2592.19	2187.69
Appropriation:		
-Proposed Dividend on Equity shares @ Rs. 0.01/- per Equity Share (i.e. 1%) (Refer Note (i) below)	-	14.65
-Tax on Proposed Dividend	-	2.983
Balance carried to Balance Sheet	2592.19	2170.05
Note: (i) Proposed Dividend on Equity Share		
Proposed Dividend for the year ended 31st March, 2017 @ Rs. 0.01/- per Equity Share (i.e. 1%)	14.65	
Dividend Distribution Tax on proposed dividend	2.983	

"The Board of Directors of the Company has proposed final dividend of Rs. @ Rs. 0.01/- per Equity Share (i.e. 1%), which is subject to the approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard – 4 – 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016), proposed dividend for the year and Corporate Dividend Tax thereon has not been recognized as a distribution of profit in the current year's accounts."

PERFORMANCE REVIEW

Your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2016-17, your Company was able to achieve turnover of Rs. 21381.21 Lacs as against Rs. 19868.75 Lacs in the previous year, showing an increase of 7.61 over the previous year. The Profits after Tax of the Company for the year ended 31.03.2017 has been Rs.420.37 Lacs as against Rs. 406.81 Lacs in the previous year showing an increase of 3.33% over the previous year.

EXPORTS

The Exports of the Company for the financial year ended 31st March, 2017 were to the tune of Rs. 1282.34 lacs as against Rs. 798.76 Lacs in the previous year, showing an increase of 60% over the previous year.

SHARE CAPITAL

The issued and paid up Equity Share Capital of the Company as on March 31, 2017 was Rs. 14,65,26,950/- comprising 14,65,26,950 fully paid Equity shares of Rs. 1/- each. 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 2016-17, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back , conversions etc. or any other changes.

DIVIDEND

Your directors recommend a dividend of 1% i.e. Rs. 0.01/- per Share of face value Rs. 1/- for the year 2016-17, (Previous year 2015-16 @ 1% i.e. Rs. 0.01/- per share of face value of Rs. 1/- 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 2016-17. . 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 and then for the year 2015-16 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- 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.

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 AND EXPANSION

As at 31st March, 2017 the gross fixed assets stood at Rs. 61.70 Crores and net fixed assets Rs. 46.56 Crores.

During the year under review, the Company undertook its second phase of expansion in dyeing and fabric processing unit by installing imported high technology fabric dyeing machines, fabric stenter , circular knitting machines, automatic color mixing and dispenser machine, collar knitting machines, high power brushing machines and heat recovery unit. The Company also undertook implementation of RO/ZLD Plant with a view to save water and make industry more environment friendly. The capital expenditure in the said expansion and modernization amounted to Rs. 26.99 crores during the financial year 2016-17**.**

FINANCE

Fresh long term debt was raised during the year which consisted of fresh term loan of Rs. 19.38 crores. However, existing term debts to the extent of Rs. 3.27 crores were repaid. The Cash Credit Limits were availed to the extent of Rs. 43.62 Crores during Financial year 2016-17. 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 . at the Annual General Meeting held on 29.09.2016, he was appointed as Independent director for a period upto 31st March, 2019.

There were no fresh/additional appointments to Board of Directors, during the financial year 2016-17, 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 Nitin Bhandari, Director , retires by rotation and is eligible for reappointment.

(iii) Resignations

Mr. Ashish Thapar, Independent Director resigned from Board of directors on 12.08.2016.

(iv) Re-appointment

The present term of Shri Nitin Bhandari will expires on 21.11.2017. The Board of Directors, have, in their Meeting held on 27.05.2017 re-appointed as recommended by Nomination and Remuneration Committee., and further seeks approval of Members to re-appoint him as Chairman Cum Mg. Director and CEO of the Company for a period of 3 year w.e.f 22.11.2017.

(v) 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.

(vi) 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 12.11.2016 which also reviewed the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole . The details of the programme for familiarization of the Independent Directors of your Company are available on the Company's website, www.bhandariexport.com.

(vii) Nomination & Remuneration Policy
The Board has, on the recommendation of the Nomination & Remuneration Committee, already 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.

(viii) Board Meetings
During the year, 7 Board Meetings and 7 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.

(ix) Key Managerial Personnel
During the year 2016-17, the Company had three Key Managerial Personnel viz. Mr. Nitin Bhandari, Chairman & Managing Director & CEO, Mr. Manoj Kumar, Chief Financial Officer and Mr. Gurinder Makkar, Company Secretary.

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.

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.

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 Vipan Kumar Aggarwal & Co , Chartered Accountants, Statutory Auditors of the Company were appointed in the 21st Annual General Meeting to hold office until the conclusion of 24th Annual General Meeting. As per Companies Act, 2013, M/s Vipan Kumar Aggarwal & Co. have completed their term and are not eligible for re-appointment. Based on the recommendation of Audit Committee, your company seeks approval for the appointment of M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N) as our Statutory Auditors to hold office from the conclusion of 24th Annual General Meeting upto the conclusion of 29th Annual General Meeting.

There are no qualifications or reservation or remarks made by the Auditors in their Report.

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 2017-18 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 year 2016-17, 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 and the date of the Report.

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

At present, the securities of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the Listing Fees to the BSE and NSE upto the financial year 2017-18. During the year 2016-17, National Stock Exchange of India Limited (NSE) had granted listing to Equity shares of the Company vide NSE's Circular Ref. No. 73/2017 dated 25.01.2017 (Download ref. No. NSE/CML/34063.) and the Equity shares of the Company were admitted to dealings on the National Stock Exchange (Capital Market segment) with effect from January 30, 2017 under symbol BHANDARI

INDUSTRIAL RELATIONS

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

DISCLOSURE OF COMPLAINTS OF SEXUAL HARRASMENT, 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 2016-17:

Sr.	Category	No. of complaints during financial year 2016-17	No. of complaints pending as at end of year 2016-17
1	Child labour/forced labour/involuntary labour	The Company does not hire Child Labour, Forced Labour or Involuntary Labour. **No case reported**	Not Applicable
2	Sexual Harassment	**No case reported**	Not applicable
3	Discriminatory employment	**No case reported**	Not applicable

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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" had 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

During the year 2016-17, the Company had identified certain projects/activities on which the CSR expenditure for the financial year 2016-17 was made. The activities included promoting health care including preventive health care, facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups, animal welfare etc. Details about the CSR policy and initiatives taken by the Company during the year are available on your company's website www.bhandariexport.com. The Report on CSR activities is given in **Annexure-E** forming part of this Report.

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

SUBSIDIARY COMPANY/ASSOCIATE COMPANY/JOINT VENTURE

There is no Subsidiary /Associate Company of the Company.

EXTRACT OF ANNUAL RETURN

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

GRATUITY

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

PARTICULARS OF THE EMPLOYEES

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 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, 2017, 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, 2017, 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, 2017 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.

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 : 08.08.2017

"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 31st March, 2017 ('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 31st March, 2017, 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 and NSE 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:-

The National Stock Exchange of India Limited (NSE) granted listing to Equity shares of the Company vide NSE's Circular Ref. No. 73/2017 dated 25.01.2017 (Download ref. No. NSE/CML/34063.) and the the Equity shares of the Company were been admitted to dealings on the National Stock Exchange (Capital Market segment) with effect from January 30, 2017 under symbol BHANDARI

Sd/-
Rajeev Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 9491
Place: Ludhiana
Dated: 08.08.2017

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.

'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: 08.08.2017

"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)	12:1
Other Directors (Non Executive and Independents) (Only Sitting Fee paid)	N.A.
Mr. Gurinder S. Makkar (Company Secretary)	3.5
Mr. Manoj Kumar (CFO)	3.27:1

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	8.89
Mr. Gurinder S. Makkar	Company Secretary	NIL

3. Percentage increase/(decrease) in the median remuneration of employees in the financial year: (21.55).
4. The number of permanent employees on the rolls of company: 288
5. Average percentile increase/decrease 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 5.04%. There was no increase in remuneration of of KMP during the financial year 2016-17 except for Mr. Manoj Kumar, CFO of the Company which was increased by 8.89%. The overall increase in the remuneration of KMP was 1.44% as compared to previous year. During the year 2016-17, the turnover of the company was Rs. Rs. 21381.21 Lacs as against Rs. 19868.75 Lacs in the previous year, showing an increase of 7.61% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2017 has been Rs.420.37 Lacs as against Rs. 406.81 Lacs in the previous year showing an increase of 3.33% over the previous year.. 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 REMUNE-RATION PAID (RS.)	NATURE OF EMPLOY-MENT	QUALI-FICATION	AGE	EXPE-RIENCE	DATE OF COMMENC-EMENT	LAST EMPLOY-MENT	% OF EQUITY SAHRES
1	NITIN BHANDARI*	MG. DIRECTOR	1440000	PERMANENT	MBA, LONDON	34	12	23.11.2009	-	17.18
2	ADITI BHANDARI**	VICE PRESIDENT-MARKETING	1140000	PERMANENT	MBA	34	12	26.09.2011	-	NIL
3	KUSUM BHANDARI***	CHIEF MERCHANDISER	888000	PERMANENT	BA	67	33	27.09.2002	-	1.73
4	NARESH BHANDARI****	PRESIDENT	600000	RESIGNED	B.A.	69	45	01.08.2016	-	0.004
5	KAILASH C. SHARMA	CHIEF ENGINEER	540000	PERMANENT	ELE. DIP.	65	46	06.04.2015	Jindal Cottex Ltd.	NIL

6	SANDEEP SHARMA	DYEING MANAGER	540000	RESIGNED	M. SC.	41	20	02.07.2015	Richa Industries Ltd.	NIL
7	SHIV KARAN	FABRIC PROCESSING & FINHSING HEAD	444000	PERMANENT	BA	32	14	04.02.2015	Richa Industries Ltd.	NIL
8	BODH RAJ	ENGINEER	420000	PERMANENT	ITI	47	28	10.06.2013	Oswal Apparels Pvt. Limited	NIL
9	AJAY SHARMA	EXPORTS SECTION HEAD	420000	PERMANENT	B.COM	33	11	15.07.2016	Eastman Caste and forge Limited	NIL
10	SANDEEP NARANG	SR. MERCHANDISER	420000	PERMANENT	B.A., DIP. IN APPAREL MERCHANDISING	36	12	22.07.2014	KG Exports	NIL
11	MANOJ KUMAR	CFO	392000	PERMANENT	B.COM	42	19	05.09.2013	Deepak Builders	NIL
12	MONIKA SHARMA	MERCHANDISER	405000	RESIGNED	SR. SEC.	37	6	02.07.2015	Business	NIL
13	VIRENDER CHAUDHARY	FABRIC DIVISION HEAD	360000	PERMANENT	SR. SEC.	45	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
****Mr. Naresh Bhandari is father 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 2016-17, 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 2016-17, 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 2016-17 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: 08.08.2017

"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 2016-17 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 2016-17:

Measures taken	Saving amount (Rs. In Lacs)	Energy Savings 2016-17 (Units in Lacs)
• Installation of energy efficient light fittings. • Replacement of old & re-wound motors with Energy Efficient Motors • Replacement of derated & defective Capacitors, • Optimizing Power Factor • Optimising Water usage in dyeing and reducing load on ETP and power usage. • Use of inverters and AC Drives in Unit .	7.18	1.20

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

1	**ELECTRICITY**			**2016-17**	2015-16
	a	**PURCHASED UNITS**		**2107867**	1953311
		Total Amount		**15333404**	15065142
		Rate per unit		**7.27**	7.71
	b	**OWN GENERATION THROUGH DIESEL GENERATOR(S)**			
		Units produced	KWH	**213900**	289800
		Unit per litre of Diesel	KWH	**4.85**	4.41
		Total Diesel consumed	LTR	**44139**	65670
		Diesel cost	RS	**2113840**	2808706
		Cost per unit of KWH	Rs/ Kwh	**9.88**	9.69
2		COAL		NIL	NIL
3		FURNANCE OIL		NIL	NIL
4		OTHER INTERNAL GENERATION		NIL	NIL
5	a	HUSK FOR STEAM	RS.	**24,117,502**	27803554
	b	HUSK FOR STEAM Kg	KG.	**6272065**	6159089
		Rate Per Kg		**3.85**	4.51
6	a	DIESEL FOR STEAM (Ltrs)		**95781**	163724
	b	Rate per Ltr (Rs.)		**47.89**	42.77
		Consumption / unit production			
		Production of garments (Pieces)		**1060000**	1300000
		Electricity Consumed	Kwh/pc	**1.99**	1.50
		Husk Consumed	Kg/pc	**Nil**	Nil

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 find some new foreign customers. The position of Foreign Exchange earnings and Outgo for the financial year 2016-17 is as under:

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

Sr.	Particulars	**2016-17**	2015-16
a.	Foreign Exchange Earnings (FOB value of Exports, commission earned)	**1179.47**	664.54
b.	Foreign Exchange Outgo (CIF value of Imports and expenditure in foreign currency)	**848.18**	69.93

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

Place : Ludhiana
Date : 08.08.2017

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 AND NSE)
Name, address and contact details of Registrar and Transfer Agents, If any	M/S LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2nd 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

Sl No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Fabrics	2650	85.60
2.	Knitted Hosiery Garments	2650	06.00

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES :

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

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

(I) Category - Wise Shareholding as of 31st March, 2017.

Sr No	Category of Shareholders	Shareholding at the beginning of year (Each of Face Value of Rs. 1/- each)				Shareholding at the end of year (Each of Face value of Rs. 1/- each)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	35414780	0	35414780	24.1695	35414780	0	35414780	24.1695	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	35414780	0	35414780	24.1695	35414780	0	35414780	24.1695	0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	35000	0	35000	0.0239	35000	0	35000	0.0239	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	35000	0	35000	0.0239	35000	0	35000	0.0239	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	35449780	0	35449780	24.1934	35449780	0	35449780	24.1934	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	4429310	0	4429310	3.0229	4234190	0	4234190	2.8897	-0.1332
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	4429310	0	4429310	3.0229	4234190	0	4234190	2.8897	-0.1332
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	21781363	4208100	25989463	17.7370	30161813	4037950	34199763	23.3403	5.6033
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	63280198	0	63280198	43.1867	57791768	0	57791768	39.4411	-3.7456

(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	4533363	0	4533363	3.0939	4225676	0	4225676	2.8839	-0.2100
	Non Resident Indians (Non Repat)	30580	0	30580	0.0209	524391	0	524391	0.3579	0.3370
	Non Resident Indians (Repat)	4343327	0	4343327	2.9642	4313389	0	4313389	2.9438	-0.0204
	Clearing Member	1372513	0	1372513	0.9367	2031358	0	2031358	1.3863	0.4496
	Bodies Corporate	6714716	383700	7098416	4.8444	3402635	354000	3756635	2.5638	-2.2806
	Sub Total (B)(3)	102056060	4591800	106647860	72.7838	102451030	4391950	106842980	72.9169	0.1331
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	106485370	4591800	111077170	75.8066	106685220	4391950	111077170	75.8066	0.0000
	Total (A)+(B)	141935150	4591800	146526950	100.000	142135000	4391950	146526950	100.000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	141935150	4591800	146526950	100.000	142135000	4391950	146526950	100.000	

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. 1/- 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	6750	0.004	0	6750	0.004	0	0.00
2	NITIKA BHANDARI	7692300	5.249	0	7692300	5.249	0	0.00
3	SURESH K BHANDARI	35000	0.023	0	35000	0.023	0	0.00
4	NITIN BHANDARI	25178300	17.183	0	25178300	17.183	0	0.00
5	KUSUM BHANDARI	2537430	1.731	0	2537430	1.731	0	0.00
	TOTAL	35449780	24.193	0	35449780	24.193	0	0.00

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 otal Shares of the company**	**No. of shares**	**% of total Shares of the company**
	At the beginning of the year*	35449780	24.193		
	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.)*	NIL	NIL		
	At the end of the year	**35449780**	**24.193**		

Sr No.		Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	NITIN BHANDARI	25178300	17.1834	NIL/ NO TRANSACTIONS			17.1834
	AT THE END OF THE YEAR					25178300	17.1834
2	NITIKA BHANDARI	7692300	5.2498				5.2498
	AT THE END OF THE YEAR					7692300	5.2498
3	KUSUM BHANDARI	2537430	1.7317				1.7317
	AT THE END OF THE YEAR					2537430	1.7317
4	SURESH K BHANDARI	35000	0.0239				0.0239
	AT THE END OF THE YEAR					35000	0.0239
5	NARESH BHANDARI	6750	0.0046				0.0046
	AT THE END OF THE YEAR					6750	0.0046
	TOTALS	35449780	24.193			35449780	24.193

NOTE: During the Financial Year 2016-17, there were no transactions of equity shares of the Company and thus there were no changes in shareholdings of the Promoter Group.

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

Sr		Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MEENA SHETH	5393200	3.6807			5393200	3.6807
	AT THE END OF THE YEAR					5393200	3.6807
2	GEETA RADHAKRISHNA DESAI	4783560	3.2646			4783560	3.2646
	AT THE END OF THE YEAR					4783560	3.2646
3	ARVIND BHUPATRAI SHETH	4600000	3.1394			4600000	3.1394
	AT THE END OF THE YEAR					4600000	3.1394
4	VASUDHA GURUDAS DESAI	4414990	3.0131			4414990	3.0131
	AT THE END OF THE YEAR					4414990	3.0131
5	SHYAM ABHAY JASANI	4000000	2.7299			4000000	2.7299
	AT THE END OF THE YEAR					4000000	2.7299
6	GURUDAS SABAJI DESAI	3303550	2.2546			3303550	2.2546
	AT THE END OF THE YEAR					3303550	2.2546
7	RADHAKRISHNA SABAJI DESAI	3303540	2.2546			3303540	2.2546
	AT THE END OF THE YEAR					3303540	2.2546

8	ALKA MITTAL	2500000	1.7062			2500000	1.7062
	AT THE END OF THE YEAR					2500000	1.7062
9	CHETAN DHIR	2256950	1.5403			2256950	1.5403
	Transfer			06 Jan 2017	(1000)	2255950	1.5396
	Transfer			10 Feb 2017	(22370)	2233580	1.5243
	AT THE END OF THE YEAR					2233580	1.5243
10	RAJEEV MITTAL	2145000	1.4639			2145000	1.4639
	AT THE END OF THE YEAR					2145000	1.4639

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	25178300	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.)				
	Nil/ no transactions during financial year 2016-17				
	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. Arun Kumar Oberoi- 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*	**—**	**—**	**—**	—

NOTES:
1. None of the Directors have bought/sold/owned any shares in the Company during year 2016-17.
2. Mr. Ashish Thapar resigned during the year 2016-17 and he did not hold/transacted any shares of the Company during the year 2016-17.

S. No	Chief Financial Officer	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	Mr. Manoj Kumar (CFO)	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	—	—	—	—

S. No	Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	Mr. Gurinder Singh Makkar (Company Secretary)	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	—	—	—	—

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Amt. in Rs)

Particulars	Secured loans excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	527,408,983	23,301,507	0	550,710,490
ii)Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1986586	0	0	1,986,586
Total (i+ii+iii)	529,395,569	23,301,507	0	552,697,076
Change in Indebtedness During the financial year				
Addition	193,809,246	18,544,972	0	212,354,218
Reduction	32,758,337	111,607	0	32,869,944
Net Change	161,050,909	18,433,365	0	179,484,274
Indebtedness at the end of the financial year				0
i) Principal Amount	688,897,836	41,734,872	0	730,632,708
ii)Interest due but not paid	1,548,642	0	0	1,548,642
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**690,446,478**	**41,734,872**	**0**	**732,181,350**

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

B. REMUNERATION TO OTHER DIRECTORS:

Sr No.	**Particulars of Remuneration**	**MR. ARUN K. OBEROI**	**MR. ASHISH THAPAR**	**MS. MANMEET SIKKA**	**MR. VIKAS NAYAR**	**AMOUNT (IN Rs.)**
	CATEGORY OF DIRECTOR	**INDEPENDENT**	**INDEPENDENT**	**INDEPENDENT**	**NON-EXECUTIVE**	
1	Independent Directors					
	1.Fee for attending board / committee meetings	22500	12500	70000	NIL	105000
	2. Commission	NIL	NIL	NIL	NIL	NIL
	3.Others, please specify*	NIL	NIL	NIL	NIL	NIL
	Total (1)	**22500**	**12500**	**70000**	**NIL**	**105000**
2	Other Non-Executive Directors		**N.A.**	**N.A.**		
	1.Fee for attending board / committee meetings		**N.A.**	**N.A.**	**17500**	17500
	2. Commission	NIL	NIL	NIL	NIL	NIL
	3.Others, please specify*	NIL	NIL	NIL	NIL	NIL
	Total (2)		**N.A.**	**N.A.**	**17500**	**17500**
	Total (B)=(1+2)					**122500**
	Total Managerial Remuneration	**(A+B)**				**1562500**
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:

1. The Company pays only sitting fee to Independent and Non Executive Directors.
2. Mr. Ashish Thapar resigned from Board of Directors during the year 2016-17.
3. Mr. Arun Kumar Oberoi had joined Board of Directors w.e.f. 22.07.2016.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER /WTD

(Amount in RS.)

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		MR. GURINDER MAKKAR (Company Secretary)	MR. MANOJ KUMAR (C.F.O)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	350000	392000	742000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	350000	392000	742000

VII. PENALITIES /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)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment					
Compounding					

ANNEXURE- E

CORPORATE SOCIAL RESPONISBILITY
[Pursuant to Section 134 (3) (o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company' s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

i. The objective of the company is to contribute to the social, health related, economic development of the communities, animal welfare, sports and education, so as to promote sustained growth for the society and community and in particulars take up the activities as included in Schedule VII of the Companies Act, 2013.

ii. The CSR Committee will facilitate the Annual CSR action plan containing the clear terms of reference outlining the key tasks, duration of assignment, allocation of budget for different projects, method of implementation and review. The CSR budget shall be according to Companies Act, 2013.

iii.. Money unutilized, if any, in the previous year will be carried forward and included in the budget for the next year. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

iv. Project activities identified under CSR are to be implemented by agencies, which would include- Voluntary Organizations (VOs) formal or informal Elected local bodies such as Panchayats, Instituites/Academics Institutions, Trusts, Hospitals, Self Help Groups, Govt./Semi Govt./Autonomous Organizations, Mahila Mandals, Professional Consultancy Organizations etc.

v. The Corporate Social Responsibility activities undertaken by the Company will be monitored by the Corporate Social Responsibility Committee duly constituted by the Board. The committee will be responsible to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

During the year 2016-17, the Company had identified certain projects/activities on which the CSR expenditure for the financial year 2016-17 was made. The activities included promoting health care including preventive health care, facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups, animal welfare etc.

Web link of the CSR Policy of the Company is:
http://www.bhandariexport.com/uploads/pdf/csr%20policy%20bhel%202016.pdf

2. COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

3. Average net profit of the company for last three financial years (F in lac) **:** Rs. 396.43 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
(Two per cent of Rs. 396.43 Lakhs): Rs. 7.93 Lakhs

Unspent amount from previous year: Nil/ N.A.

The Company is required to spend Rs. 7.93 Lakhs towards CSR.

5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year; Rs. 8.00 Lakhs

(b) Amount unspent, if any ; NIL

(c) Manner in which the amount spent during the financial year:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. In Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) (Rs. In Lakhs)	Cumulative expenditure upto to the reporting period (Rs. In Lakhs)	Amount spent : Direct or through implementing agency*
1	Promoting preventive healthcare, sanitation, family welfare, community hospitals and rural development programmes especially in rural areas.	Health * Care	**Ludhiana (Punjab)**	**4.00**	**4.00**	**4.00**	*
2	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Live Stock*	**Ludhiana (Punjab)**	**4.00**	**4.00**	**4.00**	*
			Totals	**8.00**	**8.00**	**8.00**	

* Details of the Implementing Agencies :
Shri Rama Sewak Sangh
Shri Govind Gaudham Trust

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - Not Applicable. The Company has spent above the required amount.

7. The CSR Committee do hereby undertakes that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

SD/-

NITIN BHANDARI
(CHAIRMAN- CSR COMMITTEE)
MG. DIRECTOR & CEO
DIN-01385065

SD/-

VIKAS NAYAR
(MEMBER- CSR COMMITTEE)
DIRECTOR
DIN- 00071047

PLACE: LUDHIANA
DATE: 08.08.2017

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 120 billion and is expected to reach US$ 230 billion by 2020. The apparel market in India is estimated to grow at a Compound Annual Growth Rate (CAGR) of 11.8 per cent to reach US$ 180 billion by 2025. Ready-made garments (RMG) exports from India stood at US$ 17.357 billion in FY 2016-17. India s overall textile exports of India were $38.60 in year 2016-17, a result of sluggish economic conditions and several other factors. globally. 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, the Indian economy grew at 7.1 per cent in 2016-17 and seemed to have affected by demonetization and other factors.

Readymade garments were amongst the largest contributor to total textile and apparel exports from India. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS).

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 makets and maintain the quality of our products to satisfy and exceed the expectations of the market and look forward to a better market sentiment for textiles.

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

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

Opportunities

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

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

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

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

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India s exports worldwide. It is expected that the production as well as exports of textile products will increase in the coming years.

b. COMPANY' S GROWTH PROSPECTS AND NEAR TERM OUTLOOK

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 demonetization, burgeoning current account deficit, weakening and uncertain demand, elevated inflation 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. Your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2016-17, your Company was able to achieve turnover of Rs. 21381.21 Lacs as against Rs. 19868.75 Lacs in the previous year, showing an increase of 7.61 over the previous year. The Profits after Tax of the Company for the year ended 31.03.2017 has been Rs.420.37 Lacs as against Rs. 406.81 Lacs in the previous year showing an increase of 3.33% over the previous year. The Exports of the Company for the financial year ended 31st March, 2017 were to the tune of Rs. 1282.34 lacs as against Rs. 798.76 Lacs in the previous year, showing an increase of 60% over the previous year

The Company had completed already its first phase of expansion and it undertook its second phase of expansion in dyeing and fabric processing division. The Company is planning to widen its markets both at domestic levels and at international levels. The long term prospects of the company are good along the growth path.

c. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

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

(RS. IN LACS)

PARTICULARS	2016-17	2015-16
Turnover	**21381.21**	19868.75
GROSS PROFIT before interest depreciation and tax	**1306.88**	1528.31
Less: Financial expenses	**471.08**	677.16
Less: Depreciation and preliminary exp. written off	**307.18**	302.84
PROFIT BEFORE TAX	**528.62**	548.31
Less: Provision for tax	**-108.25**	-141.50
PROFIT AFTER TAX	**420.37**	406.81
Add: Balance brought forward	**2170.05**	**1835.06**
Less : Previous Years amounts transferred	**1.77**	**-54.18**
Amount available for appropriation(s)	**2592.19**	**2187.69**
Appropriation:		
-Proposed Dividend on Equity shares @ Rs. 0.01/- per Equity Share (i.e. 1%) (Refer Note (i) below	**-**	**14.65**
-Tax on Proposed Dividend	**-**	**2.983**
Balance carried to Balance Sheet	**2592.19**	**2170.05**
Note: (i) Proposed Dividend on Equity Share		
Proposed Dividend for the year ended 31 March, 2017 @ **Rs. 0.01/- per Equity Share (i.e. 1%)**	**14.65**	
Dividend Distribution Tax on proposed dividend	**2.983**	

"The Board of Directors of the Company has proposed final dividend of Rs. @ Rs. 0.01/- per Equity Share (i.e. 1%), which is subject to the approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard – 4 – 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016), proposed dividend for the year and Corporate Dividend Tax thereon has not been recognized as a distribution of profit in the current year's accounts."

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. Your Company recorded a very good performance in terms of increased turnover as well as increased profitability. During the year 2016-17, your Company was able to achieve turnover of Rs. 21381.21 Lacs as against Rs. 19868.75 Lacs in the previous year, showing an increase of 7.61 over the previous year. The Profits after Tax of the Company for the year ended 31.03.2017 has been Rs.420.37 Lacs as against Rs. 406.81 Lacs in the previous year showing an increase of 3.33% over the previous year. The Exports of the Company for the financial year ended 31st March, 2017 were to the tune of Rs. 1282.34 lacs as against Rs. 798.76 Lacs in the previous year, showing an increase of 60% over 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 31st March, 2017, 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. OPPRTUNITIES 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. During the year under review, the Company undertook its second phase of expansion in dyeing and fabric processing unit by installing imported high technology fabric dyeing machines, fabric stenter , circular knitting machines, automatic colour mixing and dispenser machine, collar knitting machines, high power brushing machines and heat recovery unit. The Company also undertook implementation of RO/ZLD Plant with a view to save water and make industry more environment friendly. The Company is also considering manufacture of allied products in the textile sector .

h. SUBISIDIARY

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:

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 l 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 behaviors. 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.

The Company has complied with norms of Corporate Governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 2016-16, the Board met 7 times on 28.05.2016, 22.07.2016, 12.08.2016, 13.09.2016, 12.11.2016, 11.02.2017 and 25.03.2017. 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	7	Yes	NIL	NIL	
2	Ms. Manmeet Sikka	Director/ Woman Director	Non-Executive and Independent	7	Yes	NIL	NIL	
3	Mr. Vikas Nayar	Director	Non-Executive	7	Yes	NIL	NIL	
4	Mr. Arun Kumar Oberoi	Director	Independent Director	5	NA	1 (Private Co.)	NIL	Appointed w.e.f. 22.07.2016
5	Mr. Ashish Thapar (Resigned)	Director	Non-Executive and Independent	2	NA	NIL/NA	NIL/NA	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.

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 (INDPENDENT 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/NA	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 COMMITTIEES OF BOARD OF OTHER COMPANIES	NIL	NIL	NIL	NIL	NONE
EXPERTISE	Ms. Manmeet Sikka aged about 41 years is Bachelors in Textiles and also a Post Graduate Diploma in Computer Aided Textile designing (CATD). She Has around 19 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 34 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 64 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 16 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 40 years, 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 12.11.2016 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 Agreement/ Regulation 25 of

the Listing Regulations, 2015. The details of the Familiarization Programmes for Independent Directors are made available on Company s website i.e. www.bhandariexport.com. The evaluation process for the financial year 2016-17 has been completed.

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 31st March, 2017 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 31st March, 2017. 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. During the Financial Year 2016-17, Mr. Arun Kumar Oberoi joined the Board as 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 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 seven times during the financial year 2016-17, on 11.04.2016, 28.05.2016, 22.07.2016, 12.08.2016, 12.11.2016, 11.02.2017 and 25.03.2017. Mr. Nitin Bhandari and Ms. Manmeet Sikka attended all the Audit Committee Meetings. Mr. Ashish Thapar attended the Audit Committee Meetings dated 11.04.2016, 28.05.2016 and 22.07.2016. Mr. Ashish Thapar resigned the Board of Directors on 12.08.2016. Mr. Arun Kumar Oberoi joined on 22.07.2016 and he attended the Audit committee Meetings dated 12.08.2016, 12.11.2016, 11.02.2017 and 25.03.2017.

(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 2016-17, the Stakeholders Relationship Committee met 6 times on 20.05.2016, 15.07.2016, 05.08.2016, 05.11.2016, 02.02.2017 and 25.03.2017which were attended by all the Members respectively.

During the financial year, the Company had received only one complaint and the same was resolved and disposed off immediately. The Company s complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2016-17. 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" . During the financial Year 2016-17, Mr. Arun Kumar Oberoi joined the Board as 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 2016-17, two Meetings of Nomination and Remuneration Committee were held on 22.07.2016 and 12.08.2016 which were attended to by all the respective Members of the Committee. Meeting dated 22.07.2016 was attended to by Ms. Manmeet Sikka, Mr. Nitin Bhandari, Mr. Ashish Thapar and Mr. Vikas Nayar . Meeting dated 12.08.2016 was attended to by Ms. Manmeet Sikka, Mr. Nitin Bhandari, Mr. Arun Kumar Oberoi and Mr. Vikas Nayar.

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

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 became 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" was 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

During year 2016-17, three Meetings of CSR Committee were held on 15.07.2016, 05.11.2016 and 11.02.2017 which were attended to by all the respective Members of the Committee.

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

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

I. POLICY

A. NON EXECUTIVE DIRECTORS -CRITERIA OF SELECTION

a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

   i. Qualification, expertise and experience of the Directors in their respective fields;
   ii. Personal, Professional or business standing;
   iii. Diversity of the Board.

e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

REMUNERATION OF NON EXECUTIVE DIRECTORS:

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

i. A Non Executive Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

B. MANAGING DIRECTOR - CRITERIA FOR SELECTION /APPOINTMENT

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

Remuneration for Managing Director

i. At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Managing Director within the overall limits prescribed under the Companies Act, 2013.

ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

iii. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

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

Remuneration Policy for the Senior Management Employees

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

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

5. TERMS OF APPOINTMENT & REMUNERATION –Managing Director

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 a consolidated monthly remuneration of Rs. 1,20,000/- per month and the same was duly approved by the Members of the Company at Annual General Meeting held on 29th September, 2015.

The tenure of office of the Managing Director is for 3 years and will expire on 21.11.2017. The Board of Directors, have, in their Meeting held on 27.05.2017 re-appointed him as Chairman Cum Mg. Director and CEO of the Company at existing remuneration, for a period of 3 year w.e.f 22.11.2017 as recommended by Nomination and Remuneration Committee, subject to the approval of Members at ensuing annual General Meeting. 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 2016-17, 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.)
			2016-17	2015-16
(1)	(2)	(3)	(4)	(5)
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	3897042	
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	8424461	
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	15417877	15742789
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	8347279	
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	TBD Trading Company	44398	
Closing bal of Loan from Mr. Nitin Bhandari, Mg. Director	Nitin Bhandari and his Relatives	Sr. 1 to 4 at point B above	41734872	23189900

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

a. During the financial year ended 31st March, 2017 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
b. 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.
c. The Company has announced Whistle Blower policy. All the personnel of the company have the access to the Audit Committee.
d. The Company has complied with the mandatory requirements of the Listing Regulation.
e. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
f. 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.
g. 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.

h. During the financial year ended 31st March, 2017 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 2016-17.

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 31.03.2017

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 31.03.2017.

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 2016-17, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back , conversions etc. or any other changes. During the year 2016-17, National Stock Exchange of India Limited (NSE) had granted listing to Equity shares of the Company vide NSE's Circular Ref. No. 73/2017 dated 25.01.2017 (Download ref. No. NSE/CML/34063.) and the Equity shares of the Company were admitted to dealings on the National Stock Exchange (Capital Market segment) with effect from January 30, 2017 under symbol BHANDARI

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. We affirm that during the financial year 2016-17, 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 2016-17, to this Code. The said Code has also been placed by the Company on its website i.e. 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
23rd AGM	Thursday	29.09.2016	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	NIL
22nd AGM	Tuesday	29.09.2015	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	2
21st AGM	Friday	29.09.2014	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	3

(ii) No Extra Ordinary General Meetings were held during the Financial year 2016-17.
(iii) Number of resolutions passed through postal ballot during the financial year 2016-17 was NIL.
(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 31st March, 2017.

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. 24th ANNUAL GENERAL MEETING

DATE 26.09.2017
TIME 9.10 A.M.
DAY Tuesday
VENUE Regd.Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 PB. INDIA

B. FINANCIAL CALENDAR 2017-18 (TENTATIVE)

FIRST QUARTER RESULTS	: MIDDLE OF AUGUST, 2017
SECOND QUARTER RESULTS	: MIDDLE OF NOVEMBER, 2017
THIRD QUARTER RESULTS	: MIDDLE OF FEBRUARY, 2018
FOURTH QUARTER RESULTS AND YEARLY	: MIDDLE OF MAY, 2018
ANNUAL ACCOUNTS/NOTICE	: AUGUST, 2017

C. 1. BOOK CLOSURE DATES : 20.09.2017 TO 26.09.2017 (BOTH DAYS INCLUSIVE)
2. CUT OFF DATE : 19.09.2017

D. FINAL DIVIDEND PAYMENT DATE :

Dividend, if any, declared in the next AGM will be paid on or after 26th September, 2017, but before the statutory time limit of 30 days from the date of declaration.

E. LISTING: The Securities of the Company are listed at following stock Exchanges:

1. **BSE LIMITED (BSE**), Feroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
2. **NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE),** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051

BSE SCRIP CODE	**512608**
NSE SCRIP CODE	**BHANDARI**
ISIN	**INE474E01029 (New ISIN allotted on Sub-Division)**
FACE VALUE	**RE. 1/- PER SAHRE**

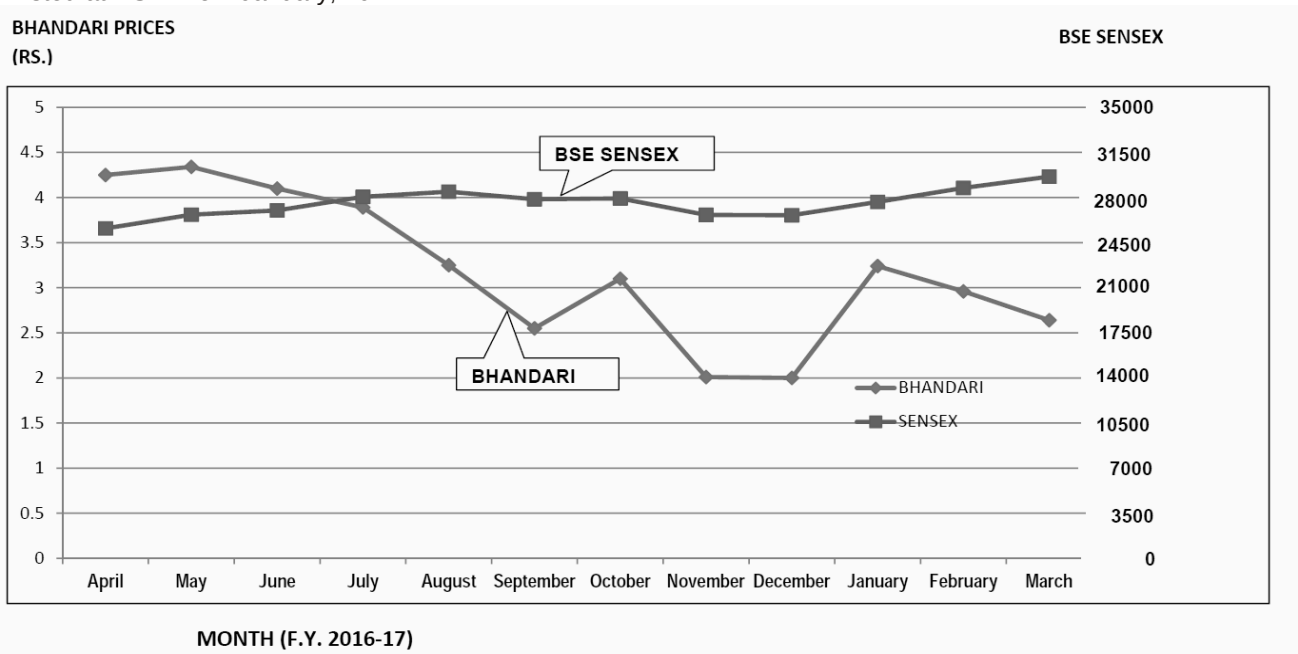
The Company has duly paid the Listing fees to the aforesaid Stock Exchanges upto Financial Year 2017-18.

F. STOCK MARKET DATA

The month wise highest, lowest and closing stock prices vis a vis BSE Sensex during the financial year 2016-17 are given below:

	BHANDARI HOSIERY EXPORTS LIMITED PRICES AT BSE (RS.)			BSE SENSEX			BHANDARI HOSIERY EXPORTS LIMITED PRICES AT NSE (RS.)			NSE NIFTY 50		
Month	High	Low	Close	High	Low	Close	*	*	*	High	Low	Close
Apr-16	4.68	3.86	4.25	26100.54	24523.2	25606.62	*	*	*	7992	7516.85	7849.8
May-16	5.43	4.06	4.34	26837.2	25057.93	26667.96	*	*	*	8213.6	7678.35	8160.1
Jun-16	4.13	3.29	4.1	27105.41	25911.33	26999.72	*	*	*	8308.15	7927.05	8287.75
Jul-16	4.39	3.65	3.89	28240.2	27034.14	28051.86	*	*	*	8674.7	8287.55	8638.5
Aug-16	4	3.05	3.25	28532.25	27627.97	28452.17	*	*	*	8819.2	8518.15	8786.2
Sep-16	3.36	2.44	2.55	29077.28	27716.78	27865.96	*	*	*	8968.7	8555.2	8611.15
Oct-16	3.45	2.4	3.1	28477.65	27488.3	27930.21	*	*	*	8806.95	8506.15	8625.7
Nov-16	3.37	1.85	2.01	28029.8	25717.93	26652.81	*	*	*	8669.6	7916.4	8224.5
Dec-16	2.29	1.72	2	26803.76	25753.74	26626.46	*	*	*	8274.95	7893.8	8185.8
Jan-17	3.24	1.89	3.24	27980.39	26447.06	27655.96	3.15	2.60	3.15	8672.7	8133.8	8561.3
Feb-17	4.08	2.82	2.96	29065.31	27590.1	28743.32	3.90	2.85	2.90	8982.15	8537.5	8879.6
Mar-17	3.04	2.4	2.64	29824.62	28716.21	29620.5	3.00	2.40	2.60	9218.4	8860.1	9173.75

*Listed at NSE w.e.f. January, 2017



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, 2nd FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591.** Electronic Mode i.e de-materialization of shares is already done through them. Thus activities of share transfer and de-mat are at single point with them. The ISIN of the Comapny is : INE474E01029. The shares of the Company are traded compulsorily in Demat form on BSE and NSE. 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, 2nd 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 31.03.2017

SR. NO.	SHARES RANGE			NUMBER OF HOLDERS	% OF TOTAL HOLDERS	NO. OF SHARES	% OF SHARES
1	1	to	500	1166	14.27	282321	0.1927
2	501	to	1000	928	11.35	871839	0.5950
3	1001	to	2000	3319	40.61	4730945	3.2287
4	2001	to	3000	572	7.00	1562759	1.0665
5	3001	to	4000	177	2.17	665104	0.4539
6	4001	to	5000	492	6.02	2366765	1.6152
7	5001	to	10000	629	7.70	5174675	3.5316
8	10001	to	Above 10001	890	10.89	130872542	89.3164
Total				8173	100.0000	146526950	100.00

J. COMPLIANCE WITH MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

K. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2017

CATEGORY	NO. OF SHARES OF FACE VALUE OF RS. 1/- EACH	% OF SHAREHOLDING
Promoters/ Promoters Group	35449780	24.19
Mutual Funds	0	0
Banks, FIs, Etc.	0	0
Foreign Portfolio Investors	4234190	2.89
Foreign Institutional Investors	0	0
Private Corporate Bodies	3756635	2.56
Non Resident Indians	4837780	3.3
Central/ State Govt.	0	0
Indian Public	96217207	65.67
Clearing Members	2031358	1.39
GRAND TOTAL	146526950	100

L. SHAREHOLDING OF DIRECTORS AS ON 31.03.2017

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 31.03.2017
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 31.03.2017 approx. 97.00% shares comprising 14,21,35,000 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 INTITIATIVE

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 and 2016-17. 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 and then for the year 2015-16 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- 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) . Shareholders / Investors who have not encashed their Dividend Warrants if any, for year 2014-15 and 2015-16, 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, 2017.

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 LIMTIED
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.

	Sd/-	Sd/-
Place: Ludhiana	**Nitin Bhandari**	**Manoj Kumar**
Date: 08.08.2017	**Chairman & Managing Director/(CEO)**	**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, 2017.

Sd/-

Place: Ludhiana
Date: 08.08.2017

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

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 LIMTIED (the Company), for the year ended on 31st March, 2017, as stipulated 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 and NSE.

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 compiled 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 and NSE.

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 : 08.08.2017

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 31st March 2017, 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.

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 31st March 2017, 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 31st March, 2017 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.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No 13 . to the standalone financial statements.

For Vipan Kumar Aggarwal & Co.,
(Chartered Accountants)
SD/-

(Vipan Kumar)
(Partner.)
Membership No. 081198

Place: Ludhiana.
Date : 27.05.2017

"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, 2017:

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 I86 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, 2017 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 raised term loans from the 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. 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 banks for installation of machinery.

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.

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 Vipan Kumar Aggarwal & Co.,
(Chartered Accountants)

Place: Ludhiana.
Date : 27.05.2017

(Vipan Kumar)
(Partner.)
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, 2017 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, 2017, 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, 2017, 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 May 27, 2017 expressed an unqualified opinion thereon.

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

Sd/-
(Vipan Kumar)
(Partner)
Membership No. 081198

Place: Ludhiana.
Date : 27.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTE	AS AT 31.03.2017 (Rs.)	AS AT 31.03.2016 (Rs.)
Corporation information	1		
Accounting Policies	2		
I. EQUITY AND LIABILITIES			
1. Shareholders Funds			
a) Share Capital	3	**146,526,950**	146,526,950
b) Reserves & Surplus	4	**443,999,310**	401,785,810
Sub Total		**590,526,259**	548,312,759
2. Non-Current Liabilities			
a) Long Term Borrowings	5	**255,071,101**	166,389,505
b) Deferred Tax Liability	6	**28,182,158**	26,357,158
Sub Total		**283,253,259**	192,746,663
3. Current Liabilities			
a) Short Term Borrowings	5	**436,299,107**	386,307,570
b) Trade Payables	7	**102,217,208**	92,858,623
c) Other Liabilities	8	**68,673,324**	11,503,643
d) Short Term Provisions	9	**10,763,000**	15,228,269
Sub Total		**617,952,639**	505,898,106
Total		**1,491,732,158**	1,246,957,529
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Property, Plant & Equipments	10	**455,663,556**	407,152,381
ii) Intangible assets	10	**124,987**	156,233
iii) Capital Work-in-Progress	10	**9,846,205**	547,200
Sub Total		**465,634,748**	407,855,813
b) Non-current investments		**-**	-
c) Long term loans and advances		**-**	-
d) Other non-current assets		**-**	-
2. Current Assets			
a) Inventories	11	**467,540,269**	438,734,238
b) Trade Receivables	12	**418,337,802**	305,691,078
c) Cash & Bank Balances	13	**6,972,259**	14,306,786
d) Short Terms Loans & Advances	14	**3,513,037**	2,331,351
e) Other Current Assets	15	**129,734,043**	78,038,262
Sub Total		**1,026,097,410**	839,101,716
Total		**1,491,732,158**	1,246,957,529
Summary of Significant Accounting Policies	2		

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

As per our Report of even date
For Vipan Kumar Aggarwal & Co.
FRN : 007245N
Chartered Accountants

Sd/-
(Vipan Kumar Aggarwal)
Proprietor
Membership No. 081198
Place : Ludhiana
Date : 27.05.2017

For and on behalf of the Board of Directors of BHANDARI HOSIERY EXPORTS LIMITED

Sd/-	Sd/-	Sd/-	Sd/-
(Manoj Kumar)	(Gurinder Makkar)	(VIkas Nayar)	(Nitin Bhandari)
Chief Financial Officer	Company Secretary	Director	Mg. Director
		DIN:00071047	DIN : 01385065

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

SR.	PARTICULARS	NOTE	F.Y. ENDED 31.03.2017 (RS.)	F.Y. ENDED 31.03.2016 (RS.)
I	**Revenue**			
	Revenue from Operations	16	**2,136,394,117**	1,985,777,403
II	Other Income	17	**1,726,622**	1,097,450
III	**Total Revenue**		**2,138,120,739**	1,986,874,853
IV	**Expenses**			
a	Cost of Materials Consumed	18	**1,812,285,919**	1,538,932,557
b	Changes in inventory of finished goods , work in process, stock in trade	19	**(34,558,182)**	52,310,098
c	Employees Benefit Expenses	20	**50,160,769**	49,839,604
d	Finance cost	21	**47,107,638**	67,715,909
e	Depreciation expenses	10	**30,719,071**	30,284,722
f	Other Expenses	22	**179,543,911**	192,961,205
	Total Expenses		**2,085,259,127**	1,932,044,095
V	Profit before exceptional and extraordinary items and tax (III - IV)		**52,861,612**	54,830,758
VI	Exceptional items		**0**	0
VII	Profit before extraordinary items and tax (V - VI)		**52,861,612**	54,830,758
VIII	Extraordinary Items		**NIL**	NIL
IX	**Profit before tax (VII-VIII)**		**52,861,612**	54,830,758
X	**Tax Expenses**			
	Current Income Tax		**9,000,000**	12,000,000
	Deferred Tax		**1,825,000**	2,150,000
	Wealth Tax		**0**	0
	Excess(short) Provisions income tax of earlier years		**0**	0
XI	Profit/(Loss) for the period /from continuing operations (IX-X)		**42,036,612**	40,680,758
XII	Profit/(Loss) for the period from discontinuing operations (IX-X)		**NIL**	NIL
XIII	Profit/(Loss) for the year		**42,036,612**	40,680,758
XIV	Surplus carried over to Balance Sheet		**42,036,612**	40,680,758
XV	Net Profit available for Equity Shareholders		**42,036,612**	40,680,758
XVI	**Basic Earning per Equity Share of Rs. 1/- each**	23	**0.29**	0.28
XVII	**Diluted Earning per Share of Rs. 1/- each**	23	**0.29**	0.28
	Summary of Significant Accounting Policies	2		

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

As per our Report of even date
For Vipan Kumar Aggarwal & Co.
FRN : 007245N
Chartered Accountants

Sd/-
(Vipan Kumar Aggarwal)
Proprietor
Membership No. 081198
Place : Ludhiana
Date : 27.05.2017

For and on behalf of the Board of Directors of BHANDARI HOSIERY EXPORTS LIMITED

Sd/-	Sd/-	Sd/-	Sd/-
(Manoj Kumar)	(Gurinder Makkar)	(VIkas Nayar)	(Nitin Bhandari)
Chief Financial Officer	Company Secretary	Director	Mg. Director
		DIN:00071047	DIN : 01385065

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

CASH FLOW FROM OPERATING ACTIVITIES	**YEAR ENDED 31ST MARCH 2017 (RS.)**	YEAR ENDED 31ST MARCH, 2016 (RS.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	52861612	54830758
Adjustments for		
Depreciation after written back	30719071	30284722
Less : Interest received	-1726622	-1097450
Interest & financial expenses	47107638	67715909
Adjustments against Reserve & surplus	0	0
Operating profit before working capital changes	**128961699**	**151733939**
Adjustment for :		
Decrease / Increase (-) in debtors & receivables	**-165524191**	-125563996
Decrease / Increase (-) in inventories	**-28806031**	15562808
Increase / Decrease (-) in Trade payables and other current liabilities	**62062997**	-28765038
Cash Generated from operations	**-3305526**	**12967713**
Less Interest paid	**47107638**	67715909
Less Direct tax paid	**9000000**	12000000
Cash flow before extraordinary items	**-59413165**	**-66748197**
Extra ordinary items(Provision for Dividend)/W/OFF	**-176888**	7181719
Net cash from trading activities	**-59236277**	**-73929916**
CASH FROM INVESTING ACTIVITIES		
issue of fresh capital	0	0
Share premium on fresh capital	0	0
Purchase of fixed assets	**-106528364**	-4341025
Depreciation Written Back	**-7935918**	-861437
Sale of fixed assets	**25966276**	2785850
Interest received	**1726622**	1097450
Realization from investments	**0**	0
Net cash from investing activities	**-86771384**	**-1319162**
CASH FROM FIANANCING ACTIVITIES		
Increase in bank borrowing	**138673133**	84857750
Repayment of short term borrowing	**0**	0
Repayment of unsecured loans if any	**0**	0
Net cash from financing activities	**138673133**	84857750
Net increase or decrease in cash & cash equivalent	**-7334528**	9608672
Cash & Cash equivalents (Opening Balance)	**14306787**	4698115
Cash & Cash equivalents (Closing Balance)	**6972259**	14306787

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

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

For and on behalf of the Board of Directors of BHANDARI HOSIERY EXPORTS LIMITED

Sd/-
(Vipan Kumar Aggarwal)
Proprietor
Membership No. 081198
Place : Ludhiana
Date : 27.05.2017

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 31ST MARCH 2017

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) and NSE. The Company does not have any subsidiary Company. The Company is into Textiles and is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 20 years experience and state of 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:

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

(f) Property, Plant & Equipments:

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

(a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

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

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

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

(g) Depreciation:

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

(h) Inventories:

Stores and spares and raw material are valued at Cost.

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

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

(i) Borrowing Cost:

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

.(j) Foreign Currency Conversion/Translation

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

(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. 124339/- (Previous Year Rs. 332746/-) 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 31.03.2017**	As at 31.03.2016
(a)	Letter of Credit outstanding	**515.91**	0.00
(b)	Bank Guarantee Outstanding	**2.00**	2.00
(c)	Bill discounting with bank against irrevocable Foreign Letter of Credit	**144.38**	297.79

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

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

2.4 Legal cases by and against Company

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

Sr. No.	Name of the Complaint / Plaint	Court of JMIC	Nature of Proceddings	Status
1.	BHANDARI HOSIERY V/s Sharda Logistics	Hon'ble Deepali Gupta	U/S 138 of N.I.A	P.O. declared
2.	BHANDARI HOSIERY V/s Avtar Singh	Vipindeep Kaur	U/S 138 of N.I.A	P.O. declared
3.	BHANDARI HOSIERY V/s SRS Exports (Ravneek Uppal)	Yukti Goel	U/S 138 of N.I.A	P.O. declared
4.	BHANDARI HOSIERY V/s Ambika Traders	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
8.	BHANDARI HOSIERY VS. GINI & JONY LTD		U/S 138 of N.I.A	Warrant issued

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 cannot 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	**2016-17 (Rs)**	2015-16 (Rs)
Export sales	**128233907**	79876607
Domestic sales	**2008160209**	1905900796
Total	**2136394117**	1985777403

2.10 **Investments**

Particulars	**2016-17**	2015-16
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. **18,25,000**/- (previous year 21,50,000/-) 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	26357158	1825000	28182158
-Others	0	**0**	0
-Net Deferred Tax Liability	26357158	1825000	28182158

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.)

	2016-17	2015-16
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

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)

Nature of Transactions	**Total Amount (in Rs.) 2016-17**	Total Amount (in Rs.) 2015-16
Remuneration / Salary paid to Key Managerial Personnel	**21,82,000**	22,33,350
Remuneration / Salary paid to Relatives of Key Managerial Personnel being employees	**27,78,000**	23,28,000

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

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

Transactions with Related Parties:

Nature of Transactions	Key Management Personnel having relation with Related Party	Enterprises over which KMP is able to exercise significant influence	Total (Amt. in Rs.) 2016-17	Total (Amt. in Rs.) 2015-16
(1)	(2)	(3)	(4)	(5)
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	3897042	
Purchase of goods/Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	8424461	
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Bhandari Knit Exports	15417877	15742789
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	Miracle Clothing Company	8347279	
Sale of Goods/ Job Work	Nitin Bhandari and his Relatives	TBD Trading Company	44398	
Closing bal of Loan from Mr. Nitin Bhandari, Mg. Director	Nitin Bhandari and his Relatives	Sr. 1 to 4 at point B above	41734872	23189900

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

			31.03.2017 (RS.)	31.03.2016 (RS.)
a	**Value of Imports Calculated on C.I.F. Basis**			
	(i)	Raw Materail	**Nil**	Nil
	(ii)	Stores, Spares, Needles, Labels, Packing Material, Leather goods etc.	944593	1925531
	(iii)	Capital goods	76066987	
b	**Expenditure in Foreign Currency**			
	(a)	Travelling and Conveyance	7027810	3311928
	(b)	Quality claim, rebate & discount etc.	778235	1755954
c	**Foreign Exchange Earnings**			
	(a)	FOB Value of Exports	117946703	66454290

d The Value of Consumption of Raw Materials and Stores

Particulars		Year ended 31st March	Raw Material	%	stores	%
a)	**Imported**	**2017**	**NIL**	**NIL**	**944593**	16.45
b)	**Indigenous**	**2017**	**1812285919**	**100**	**4799054**	83.55
a)	Imported	2016	NIL	NIL	1925531	36.59
b)	Indigenous	2016	1538932556	100	3337035	63.41

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 : 08.08.2017

For and on behalf of the Board of Directors of BHANDARI HOSIERY EXPORTS LIMITED

Sd/-	Sd/-	Sd/-	Sd/-
(Manoj Kumar)	(Gurinder Makkar)	(VIkas Nayar)	(Nitin Bhandari)
Chief Financial Officer	Company Secretary	Director DIN:00071047	Mg. Director DIN : 01385065

NOTE 3- SHARE CAPITAL

PARTICULARS	AS AT 31.03.2017 (Rs.)		AS AT 31.03.2016 (Rs.)
I. Share Capital			
a) Authorised Capital 250,000,000 equity shares of Rs. 1/- each (Previous Year 250,000,000 equity shares of Rs. 1/- each)	**250,000,000**		250,000,000
b) Issued Share Capital 146,526,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 146,526,950 equity shares of Rs. 1/- each (fully paid up)	**146,526,950**		146,526,950
c) Subscribed & Paid up Capital 146,526,950 equity shares of Rs. 1/- each (fully paid up) (Previous Year 146,526,950 equity shares of Rs. 1/- each (fully paid up)	**146,526,950**		146,526,950

Note: The Company has one class of equity shares having a par value of Rs 1/- each as at 31st March, 2017. Each holder of equity shares is entitled to one vote per share.

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

Particulars	Year Ended March 31, 2017		Year Ended March 31, 2016	
	No. of Shares	**Amount (Rs.)**	No. of Shares	Amount (Rs.)
At the beginning of the period (**146,526,950** equity shares of Rs 1/- each)	**146,526,950**	**146,526,950**	**146,526,950**	**146,526,950**
Add: Shares Issued during the year	**NIL**	**NIL**	**NIL**	**NIL**
Less: Shares bought back during the year	**NIL**	**NIL**	**NIL**	**NIL**
Add: Other movements during the year	**NIL**	**NIL**	**NIL**	**NIL**
Outstanding at the end of the period (**146,526,950** equity shares of Rs 1/- each)	**146,526,950**	**146,526,950**	**146,526,950**	**146,526,950**

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

Name of Shareholder	**31.03.2017** No of Share	**31.03.2017** % of Holding	31.03.2016 No of Share	31.03.2016 % of Holding
1. NITIN BHANDARI	**25,178,300**	**17.18**	**25,178,300**	**17.18**
2. NITIKA BHANDARI	**7,692,300**	**5.25**	**7,692,300**	**5.25**

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)					
	2016-17	**2015-16**	2014-15	2013-14	2012-13	2011-12
EQUITY SHARES:						
Opening Balance at beginning of year - Shares of face value of Rs. 1/- each (Previous years 2014-15 and before shares of face value of Rs. 10/- each)	**146,526,950**	**146,526,950**	14,652,695	14,652,695	10,065,195	10,065,195
Fully paid up pursuant to contract(s) without payment being received in cash	**NIL**	**NIL**	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	**NIL**	**NIL**	NIL	NIL	NIL	NIL
Shares bought back	**NIL**	**NIL**	NIL	NIL	NIL	NIL
Rights issue/FPO/**Preferential issue**/ **Conversion of Warrants**/ any other	**NIL**	**NIL**	NIL	NIL	4,587,500	NIL
TOTAL/BAL. AT CLOSE OF YEAR	**146,526,950**	**146,526,950**	14,652,695	14,652,695	14,652,695	10,065,195
PREFERENCE SHARES:**	**NIL**	**NIL**	NIL	NIL	NIL	NIL
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
TOTAL/BAL. AT CLOSE OF YEAR	**NIL**	**NIL**	NIL	NIL	NIL	NIL

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

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

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

**** There are no outstanding warrants/securities convertible into equity shares as at 31st March 2017.

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

NOTE 4- RESERVE & SURPLUS	31.03.2017 (RS.)	31.03.2016 (RS.)
a) Share Premium Reserves		
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) General Reserve		
Opening Balance	**28,805,050**	28,805,050
Less utilized for issue of bonus shares	**-**	-
Balance carried forward Sub Total	**28,805,050**	28,805,050
c) Surplus in Profit & Loss Account		
Opening Balance of Profits	**217,005,760**	183,506,721
Add : Profit for the year	**42,036,612**	40,680,758
Add/Less: Previous year s amounts transferred	**176,888**	(5,418,150)
Less : Proposed Dividend on Equity Shares	**-**	(1,465,270)
Less : Dividend Distribution Tax	**-**	(298,300)
Sub Total	**259,219,260**	217,005,760
G. TOTAL	**443,999,310**	401,785,810

NOTE: The Board of Directors of the Company has proposed final dividend of Rs. @ Rs. 0.01/- per Equity Share (i.e. 1%), which is subject to the approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard – 4 – 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016), proposed dividend for the year and Corporate Dividend Tax thereon has not been recognized as a distribution of profit in the current year's accounts. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March, 2017.

NOTE-5 LONG TERM AND SHORT TERM BORROWINGS

LONG TERM BORROWINGS: SECURED LOANS:

	Term Loans	31.03.2017 (RS.)	31.03.2016 (RS.)
a	S.B.I.Term Loan A\c No.34001402481	**86,053,753**	141,601,073
	S.B.I. Term Loan A/C NO. 36625258263	**23,403,249**	
b	ANDHRA BANK T/L NO.034030100007657	**43,130,881**	-
c	Term Loan LC PAYABLE AT SBI	**20,163,131**	-
d	Term Loan LC PAYABLE AT ANDHRA BANK	**31,428,248**	-
	Total (a)	**204,179,262**	141,601,073
	Terms of repayment of Term Loans		
	a. S.B.I. Term Loan A/C No-34001402481 above is repayable in 66 monthly installments. First 18 installments are 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 installments of Rs.31 lacs only. present Rate of interest is 11.90% p.a.		
	b. Repayment of term loans under b, c and d will commence from October 2017 onwards. The outstanding LC's will be paid out of term loan disbursements.		
	Security given to the banks		
	***** For term loans "a" to "d" of note 5 the first pari pasu charge on the fixed assets is given to the lending banks under consortium. Second charge on current assets has been given to lending banks on paripassu basis.		
	****** All the credit facilities are guaranteed by personal guarantee of the Managing Director . Term loans at sr. no a to d are also collaterally secured by Equitable mortgage of land and building of Bhandari Knit Exports.		

	Other Long Term Borrowings	31.03.2017 (RS.)	31.03.2016 (RS.)
e	HDFC Vehicle loan	**5,935,302**	1,486,925
f	Kotak Mahindra Bank Ltd.	**3,221,665**	111,607
g	Unsecured Loans From Director**	**41,734,872**	23,189,900
	Total (b)	**50,891,839**	24,788,432
	Total (a+b)	**255,071,101**	166,389,505
	***** Car Loans are secured by way of hypothecation of respective car to the respective banks & personal guarantee of the Managing Director		
	** Unsecured loans from director (Mr. Nitin Bhandari) as stipulated by bank are interest free.		

SHORT TERM BORROWINGS :

Sr.	PARTICULARS	31.03.2017 (Rs.)	31.03.2016 (Rs.)
	Working capital Limits		
h	S.B.I. E.P.C. & SLC	**31,156,281**	49,645,053
i	S.B.I. CCA 30729399785	**405,142,827**	336,662,517
	Total (c)	**436,299,107**	386,307,570
	GRAND TOTAL (a+b+c)	**691,370,208**	552,697,076

Security provided to the banks, Financial institutions

	a) Working capital limits (h , i of note 5) are secured by first charge on all stocks consisting of Raw Material, WIP, finished goods , stores & spares , goods with fabricators , goods in transit , stock lying on docks , book debts and all other current assets of the company both present & future.
	b) Extension of charge on the entire fixed assets of the company also given to the lending bank on parripassu basis
	c) All the credit facilities are guaranteed by personal guarantee of the Managing Director .
	d) Working limits (h , i) are also collaterally secured by Equitable mortgage of land and building of Bhandari Knit Exports
	e) CC and EPC Limits are repayable on demand. Present Rate of interest on these limits is EPC @ 9.75, CC @10.10% p.a. There is no default on repayment of interest on these accounts.
	f) SLC Limit is repayable on demand. Rate of interest on this limits is 12.15% p.a. There is no default on repayment of interest in this accounts.

NOTE-6 DEFERRED TAX LIABILITY

PARTICULARS	31.03.2017 (Rs.)	31.03.2016 (Rs.)
Deferred Tax Liability (See note 2.11 also)		
Opening Balance	**26,357,158**	24,207,158
Add:-Provision for the year	**1,825,000**	2,150,000
Total	**28,182,158**	26,357,158

NOTE 7- TRADE PAYABLES

PARTICULARS	31.03.2016 (Rs.)	31.03.2015 **(Rs.)**
Trade payables	102,217,208	92,858,623
Total	102,217,208	92,858,623

NOTE-8- OTHER LAIBILITIES

Particulars	31.03.2017 (Rs.)	31.03.2016 (Rs.)
Unpaid dividend (See Note 13 also)	**104,521**	70,535
Statutory dues	**1,760,759**	724,774
Other payables	**5,646,862**	7,387,105
Term Loan instalments payable in one year	**40,811,140**	
Cheques issued but not yet presented	**10,148,401**	602,959
Advances from customers	**10,201,641**	2,718,270
Total	**68,673,324**	11,503,643

NOTE 9- PROVISIONS

Particulars	31.03.2017 (Rs.)	31.03.2016 (Rs.)
Provision for Gratuity	**1,464,700**	1,464,700
Provision for Income-Tax	**9,000,000**	12,000,000
Provisions for Dividend and Dividend Distribution Tax	**298,300**	1,763,569
	10,763,000	15,228,269

NOTE -10- PROPERTY , PLANT & INVESTMENTS

(Amount in Rs.)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
NATURE OF ASSETS	**GROSS BLOCK as at 01.04.2016**	**ADDITIONS DURING THE YEAR**	**SALE / TRANSFER DURING THE YEAR**	**GROSS BLOCK AT 31.03.2017**	**DEPRICIATION UP TO 01.04.2016**	**DEPRICIATION Written back**	**DEPRICIATION FOR THE YEAR**	**DEPRICIATION UPTO 31.03.2017**	**NET BLOCK AS AT 31.03.2017**	**NET BLOCK AS AT 31.03.2016**
FREE HOLD LAND	3732500	-	-	3,732,500	-	-	-	-	3,732,500	3,732,500
BUILDING & SITE DEVLOPMENT	166706310	2,616,616	-	169,322,926	30,903,979	-	5,291,502	36,195,481	133,127,445	135,802,331
TEMPORARY FITTING	916131			916,131	883,518		32,613	916,131	-	32,613
PLANT & MACHINERY	323836585	80,309,724	19,182,451	384,963,858	70,251,655	1,857,553	20,922,689	89,316,791	295,647,068	253,584,930
FURNITURE & FIXTURE	6432601	196,911	-	6,629,512	4,457,428		612,656	5,070,084	1,559,428	1,975,173
OFFICE EQUIPMENT	2345709	-	-	2,345,709	1,423,387	-	348,241	1,771,628	574,081	922,322
ELECTRIC FITTING & EQUIPMENT	16706213	524,384	-	17,230,597	10,080,190	-	1,701,130	11,781,320	5,449,277	6,626,023
CAR	12776783	13,473,401	6,783,825	19,466,359	9,605,919	6,078,365	1,482,192	5,009,746	14,456,613	3,170,864
VEHICLES	2268845	108,322	-	2,377,167	963,220	-	296,802	1,260,022	1,117,145	1,305,625
TOTAL	535721677	97,229,357	25,966,276	606,984,758	128,569,296	7,935,918	30,687,825	151,321,203	455,663,556	407,152,381
CAPITAL WORK IN PROGRESS. I	0	9,299,005	-	9,299,005	-		-		9,299,005	-
WIP CETP DEPOSIT	547,200	-	-	547,200	-				547,200	547,200
(II) INTENGIBLE ASSETS (COMPUTER SOFTWARES)	220,958	-	-	220,958	64,725	-	31,246	95,971	124,987	156,233
TOTAL	536489835	106,528,362	25,966,276	617,051,921	128,634,021	7,935,918	30,719,071	151,417,174	465,634,748	407,855,814
Previous year	534934658	4,341,025	2,785,850	536,489,833	99,210,735	861,437	30,284,722	128,634,021	407,855,813	435,723,923

NOTE-11-INVENTORIES

PARTICULARS	**AS AT 31.03.2017 (RS.)**	AS AT 31.03.2016 (RS.)
(Valued at Cost or net realizable value, whichever is lower as certified by the Management of the Company)		
-Stores and Spares(At cost)	**4,565,750**	6,927,450
-Raw Materials (At cost)	**139,358,506**	142,748,956
-Finished Goods & wastage (At cost or net realizable value whichever is lower)	**172,259,478**	180,225,488
- Work-in-Progress(At estimated cost)	**151,356,536**	108,832,344
	467,540,269	438,734,238

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

	Particulars	**AS AT 31.03.2017 (RS.)**	AS AT 31.03.2016 (RS.)
a)	Debts outstanding for a period exceeding six month from the date they are due for payment (Unsecured, Considered Goods unless otherwise stated)		
	- Domestic	**14,340,994**	13,942,935
	-Foreign	**-**	-
	Total (a)	**14,340,994**	13,942,935
b)	Others		
	-Domestic	**396,194,938**	288,641,111
	- Bad Debts (doubtful of recovery)	**4,566,945**	4,566,945
	-Foreign	**17,672,436**	28,318,684
	Total (b)	**418,434,319**	321,526,740
	Total (a+b)	**432,775,313**	335469675
	Less Provisions for bad & doubtful debts	**-**	-
	Less Negotiated from Bank Total (c)	**14,437,511**	29,778,598
	G. Total (a+b-c)	**418,337,802**	305,691,078

NOTE-13-CASH & BANK BALANCES

Particulars	AS AT 31.03.2017 (RS.)	AS AT 31.03.2016 (RS.)
Cash and cash equivalent		
Cash in hand	**1,835,865**	4,396,675
Cheque deposited but not clear	**98,078**	4,896,531
Balance with scheduled bank in current accounts	**873,415**	1,273,394
Bank Deposit with original Maturity of more than 3 months and up to 12 months	**2,145,780**	2,020,464
Balance at sales points	**2,019,121**	1,719,723
G. Total	**6,972,259**	14,306,786

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided in the Table below :

Particulars	SBN (RS.)	OTHER DENOMINATION NOTES (RS.)	TOTAL (RS.)
Closing Cash In Hand as on 08.11.2016	3808000	2107120	5915120
Add : Permitted Receipts	0	2322698	2322698
Less : Permitted Payments	0	4293471	4293471
Less: Amount Deposit In Bank(s)	3808000	0	3808000
Closing Cash In Hand As On 30.12.2016			136347

NOTE-14-LOANS & ADVANCES

Particulars		AS AT 31.03.2017 (RS.)	AS AT 31.03.2016 (RS.)
Loans and Advances (Unsecured, Considered Good unless otherwise stated)			
a)	Advances recoverable in cash or kind or value to be received	**549,646**	452,082
b)	Securities and Deposits	**2,963,391**	1,879,269
	Total	**3,513,037**	2,331,351

NOTE 15- OTHER CURRENT ASSETS

Particulars	AS AT 31.03.2017 (RS.)	AS AT 31.03.2016 (RS.)
Refunds Receivable(VAT,TUFF etc)	**14,531,036**	13,827,749
Export incentive Receivables	**1,968,102**	1,161,287
Advances recoverable in cash or kind	**8,553,154**	1,433,000
Advance Income Tax/TDS	**3,589,790**	6,715,420
Advances to suppliers for capital goods	**70,685,937**	-
Advances to suppliers	**30,406,024**	54,900,806
Total	**129,734,044**	78,038,262

NOTE-16- REVENUE FROM OPERATIONS

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Turnover		
Sales -Export	**128,233,907**	79,573,594
Sales-Domestic	**2,008,160,209**	1,906,203,809
Total	**2,136,394,117**	1,985,777,403

NOTE-17- OTHER INCOME

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Income Tax Refund	54,610	-
Insurance Claim	1,444,100	800,860
Freight Received	-	48,270
Interest on FDR	227,912	248,320
Total	1,726,622	1,097,450

NOTE 18- COST OF RAW MATERIAL CONSUMED

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Material Consumed		
Opening stock of Raw materials	142,748,956	85,274,166
Purchase of raw materials	435,418,396	513,932,313
Add: Purchase of semi-finished & Finished goods	1,373,477,072	1,082,475,034
Total	1,951,644,425	1,681,681,513
Less: Closing stock of raw materials	139,358,506	142,748,956
G. Total	1,812,285,919	1,538,932,557

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

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Closing stock of WIP	172,259,478	180,225,488
Closing stock of finished goods	151,356,536	108,832,344
Total	323,616,014	289,057,832
Less:		
Opening stock of Work-in-Process	180,225,488	232,584,736
Opening stock of finished goods	108,832,344	108,783,194
Total	289,057,832	341,367,930
Increase(-)/Decrease (+) in stock	(34,558,182)	52,310,098

NOTE 20- EMPLOYEE BENEFIT EXPENSES

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Personnel Expenses		
Director's Remuneration	1,440,000	1,440,000
Wages	21,541,405	23,631,736
Salary	21,081,418	19,153,254
Contribution. to PF, ESI etc.	3,437,763	3,215,911
Worker's Welfare, Bonus, gratuity ,LWW, L.T.C. etc.	2,660,183	2,398,703
Total	50,160,769	49,839,604

Retirement Benefits:

a) Short Term Benefits — Short Term employee benefit are changed 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 changed 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 recoginsed.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

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Bank Charges & Commission	**1,047,815**	2,782,043
Bank interest	**46,059,824**	64,933,866
Total	**47,107,638**	67,715,909

NOTE -22 OTHER EXPENSES

PARTICULARS	31.03.2017 (RS.)	31.03.2016 (RS.)
Manufacturing Expenses		
Consumables	**8,565,958**	5,262,566
Dyeing & Finishing	**73,729,877**	99,426,237
Knitting Charges / Fabrication Charges	**16,388,589**	8,219,480
Power & Fuel	**42,035,189**	46,204,904
Total	**140,719,614**	159,113,186
Office & Administrative Expenses		
Auditors Remuneration		
-As Auditors-Audit Fees	**103,500**	104,526
-For Taxation matters-Tax Audit Fees	**-**	-
-For Other Services	**-**	-
Board & Audit Comtt. Metting Fees	**122,500**	135000
Charity and Donation	**7,950**	5,100
CSR Expenses	**800,000**	-
Fee & Taxes	**2,131,441**	590,440
Insurance Charges	**984,812**	699,911
Legal & Professional	**2,094,412**	3,053,591
Loss on sale of assets	**962,943**	281,505
Misc. Expenses	**432,758**	685,679
Printing & Stationery	**864,988**	1,333,855
Rent paid for showrooms	**284,700**	776,000
Telephone & Telex	**581,650**	588,071
Vehicle Running Expenses	**354,225**	328,067
Travelling & Conveyance		
-Directors (Foreign)	**1,203,510**	1,081,485
-Directors (Domestic)	**98,675**	30,118
-Others	**6,711,049**	3,049,284
Repair & Maintenance		
- Building	**361,733**	973,254
- Electric	**569,520**	1,325,577
- General	**651,766**	1,099,972
- Machinery	**2,470,698**	2,961,353
- Vehicle	**272,403**	456,771
Selling & Distribution Expenses		

Commission	**1,609,038**	1,221,039
Courier expenses	**1,575,339**	1,182,126
ECGC Premium	**173,655**	200,310
Export Expenses	**28,421**	58,941
Packing Material	**4,147,382**	3,603,546
Rebate & Discount (Quality Claim)	**778,235**	1,755,954
Rebate & Discount (Sales)	**124,339**	332,746
Sale Promotion & Exhibition	**855,725**	1,467,606
Shipping & Freight	**7,466,930**	4,466,193
G. Total	**179,543,911**	192,961,205

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

PARTICULARS		**31.03.2017 (RS.)**	31.03.2016 (RS.)
Auditors Remuneration			
As Auditor- Audit Fee		**103,500**	104,526
For Taxation Matters- Tax Audit		**-**	-
For Other Services		**-**	-
		103,500	104,526

NOTE 23 - EARNING PER SHARE (EPS)

SR.	**PARTICULARS**	**F.Y. ENDED 31ST MARCH, 2016**	**F.Y. ENDED 31ST MARCH, 2016**
A	Net profit as per Statement of Profit and Loss	**42,036,612**	**40,680,759**
B	Net profit available to Equity Share holders	**42,036,612**	**40,680,759**
C	No. of equity shares at year end of face value of Rs. 1/- each	**146,526,950**	**146,526,950**
D	Weighted average number of Equity shares used as denominator for calculating EPS	**146,526,950**	**146,526,950**
E	Face value per Equity Share	**Rs. 1/-**	**Rs. 1/-**
F	Basic and Diluted Earning per Share (Rs.) (Face Value Rs. 1/- each)	**0.29**	**0.28**

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

Sd/-
(Vipan Kumar Aggarwal)
Proprietor
Membership No. 081198
Place : Ludhiana
Date : 27.05.2017

For and on behalf of the Board of Directors of BHANDARI HOSIERY EXPORTS LIMITED

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(Manoj Kumar)	**(Gurinder Makkar)**	**(Vikas Nayar)**	**(Nitin Bhandari)**
Chief Financial Officer	**Company Secretary**	**Director**	**Mg. Director**
		DIN:00071047	**DIN : 01385065**

BHANDARI HOSIERY EXPORTS LIMITED

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

Form No. MGT-11 - Proxy form

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

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

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

1. Name : ……

2. Address : ...……..…..

3. E-mail Id : ....……..…..

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

1. Name : ……

2. Address : ...……..…..

3. E-mail Id : ....……..…..

4. Signature :……....……..…
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 24th Annual General Meeting of the company, to be held on Tuesday, the 26th day of September, 2017 at 09.10 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)	
	Ordinary Business	FOR	AGAINST
1.	Adoption of Audited Balance Sheet as at 31st March, 2017, 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 2016-17, on equity shares.		
3.	Reappointment of Mr. Nitin Bhandari as Director who retires by rotation		
4.	To consider the appointment of M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N) as Statutory Auditors		
	Special Business		
5.	To approve remuneration payable to Cost Auditors for the year 2017-18		
6.	To approve re-appointment of Mr. Nitin Bhandari as Chairman & Mg. Director for a period of three years		

Signed this…….....… day of …….....… 2017

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 24th **ANNUAL GENERAL MEETING** of the Company being held on Tuesday, the 26th day of September, 2017 at 9.10 a.m. at the Registered Office of the Company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)**

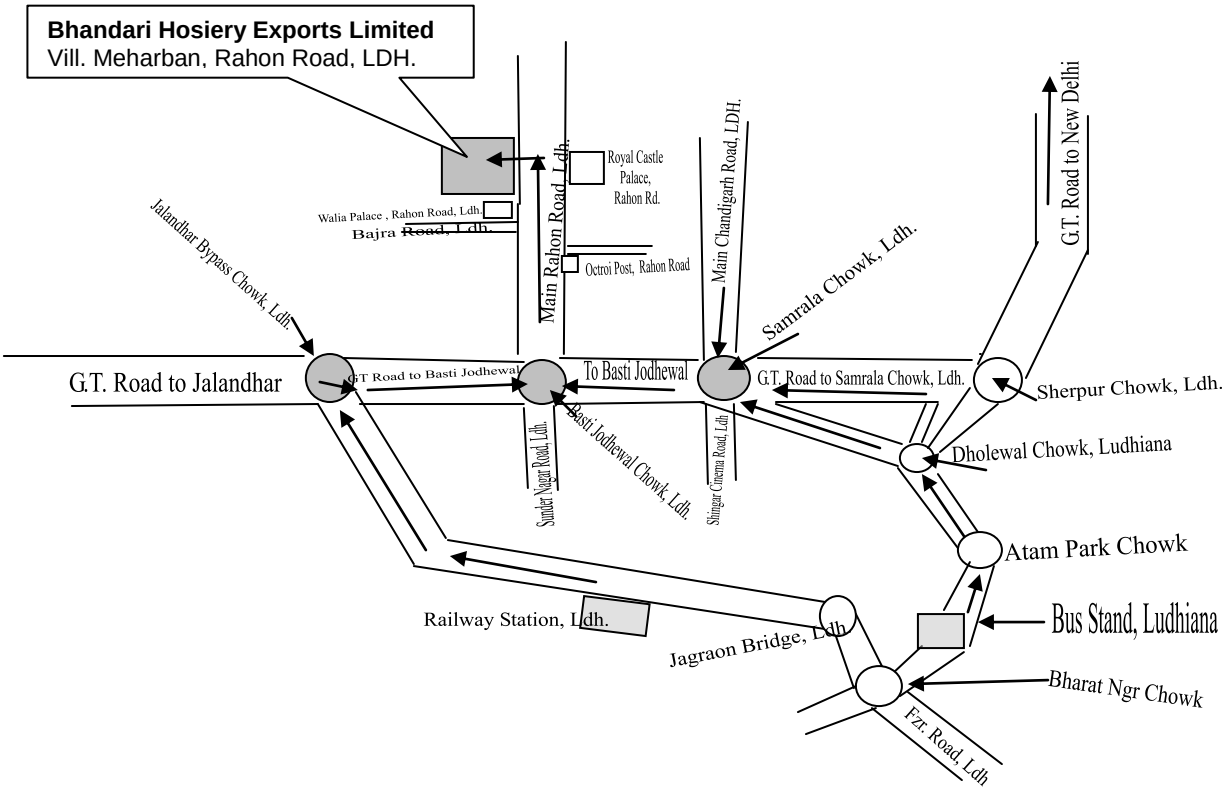
Full Name of the Shareholder(S)……No. of shares held……

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

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

SIGNATURE……

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 24th Annual General Meeting of the Members of the Company to be held on Tuesday, the 26th day of September, 2017 at 9.10 A.M. at the Registered Office of the Company



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