

Bhandari Hosiery Exports Limited
21st ANNUAL REPORT
2013-14



Bhandari Hosiery
Caring for Everything
Much More Than Just Fashion



Bhandari Hosiery Exports Limited

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

Dear Shareholders,

I have great pleasure in presenting the Twenty First Annual Report and Audited Financial Statements for the financial year ended 31st March, 2014. The year 2013-14 witnessed global sluggishness and challenges including weak recovery in the US and Europe and a general economic slowdown in emerging economies like China and India. There were no good turnarounds in the domestic economy.

But the textiles sector of India did remarkably well in an otherwise dull exports scenario in financial year 2013-14. Textiles were the only star turn in an otherwise humdrum Indian export performance in 2013-14. Readymade garments, which accounts for nearly half of all textile exports, were at \$14.93 billion, grew 15.53 per cent. Cotton yarn and fabrics grew 18 per cent to \$8.88 billion, while manmade textiles grew nearly 13 per cent to \$5.69 billion.



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, nearer to that witnessed in the past.

Despite challenging global and Indian scenario, your Company recorded a satisfactory performance. During the year 2013-14, your Company was able to achieve turnover of Rs. 11153.09 Lacs as against Rs. 9652.54 Lacs in the year 2012-13. The Profits after Tax of the Company for the year ended 31.03.2014 has been Rs. 197.67 Lacs as against Rs. 287.77 Lacs in the previous year. The Exports of the Company for the financial year ended 31.03.2014 were to the tune of Rs. 1714.67 Lacs as against Rs. 2233.70 Lacs in the previous year.

The Company has various plans for modernization, expansion of the dyeing plant/processing house, opening and running of the retail showrooms. The Company is acting towards expanding and modernization of the Dyeing unit by installation of imported automatic machinery. The Company is also planning the setting up of a unit for manufacturing of sewing/stitching thread. The company is planning to widen its markets both at domestic levels and at international levels. The long term prospects of the company are good along the growth path.

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

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

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

Warm Regards

Sd/-

NITIN BHANDARI
CHAIRMAN & MG. DIRECTOR



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

Board of Directors

SR.	NAME	DIN	DESIGNATION
1	Shri Nitin Bhandari	01385065	Chairman & Mg. Director
2	Sh. M.M. Sikka	01194696	Independent Director
3	Sh. Ashish Thapar	00077281	Independent Director
4	Sh. Vikas Nayar	00071047	Non- Executive Director

COMPANY SECRETARY

Mr. Gurinder Makkar

INDEPENDENT AUDITORS

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

KEY MANAGERIAL PERSONNEL

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

BANKERS

State Bank Of India
Pahwa Hospital Branch, Ludhiana

REGISTERED OFFICE & WORKS

Bhandari House, Village Meharban,
Rahon Road, Ludhiana- 141007
(Punjab) India
Phones: +91-88720-16410
Fax: +91-161-2690394
EMAIL: bhandari@bhandariexport.com

WEBSITE:

www.bhandariexport.com

REGISTRAR & 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

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Bhandari Hosiery at a Glance

Bhandari Hosiery Exports Limited is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 21 years experience and state of the art manufacturing facilities, Bhandari Hosiery manufactures garments for leading international and overseas brands and some overseas retail chains. In the international market, we have a presence in around 18 countries including quality conscious markets like USA, Canada, UK and the European Union.

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

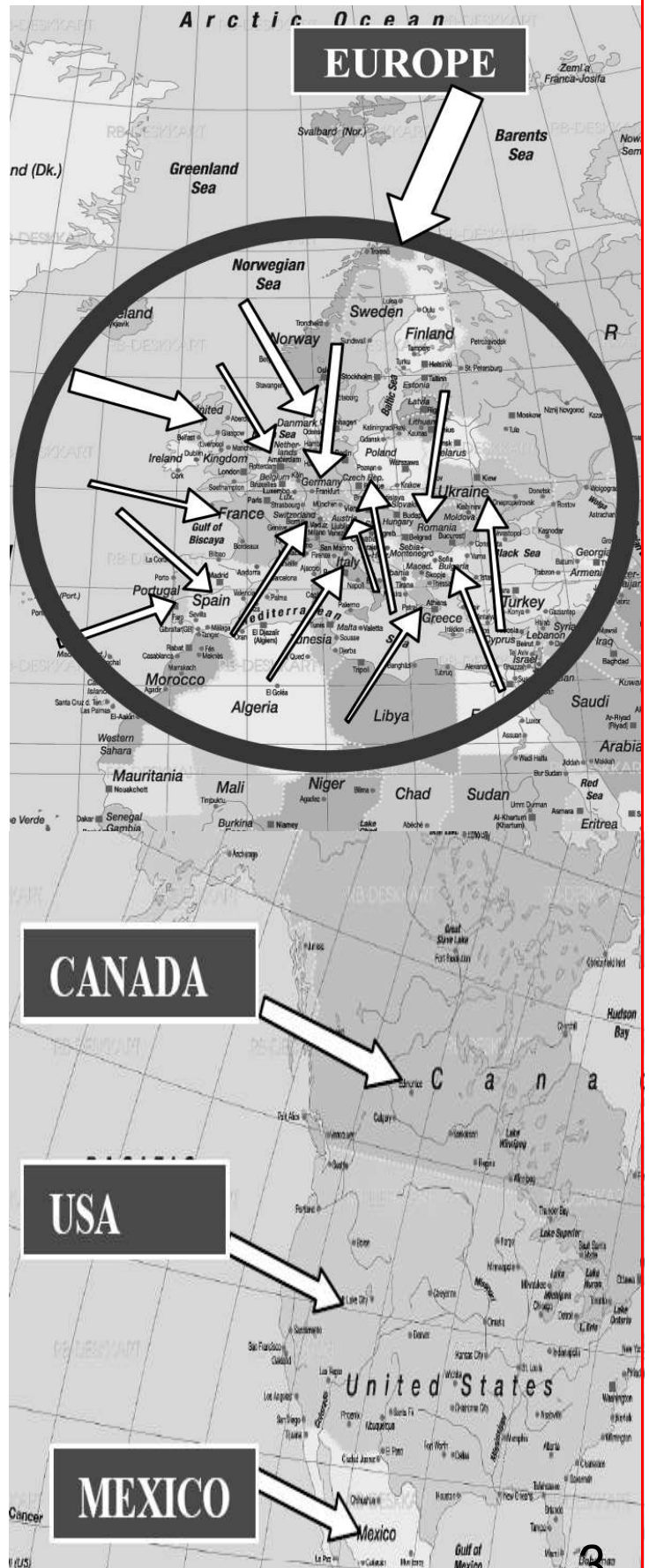
The Company is primarily engaged in the manufacture and export of knitted hosiery garments such as T-Shirts, Pull Overs, Sweat Shirts, Bermudas, Polo shirts, Track Suits, Payjamas, Lowers, ladies knitted tops with embroidery, and prints etc..

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

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

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

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





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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of September, 2014 at 9.00 A.M. at the Registered Office of the Company at Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh.Vikas Nayar (DIN 00071047), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider 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 section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Vipan Kumar Aggarwal & Co., Chartered Accountants, Ludhiana, be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this 21st Annual General Meeting (AGM) till the conclusion of the 24th Annual General Meeting to be held in 2017 (subject to ratification of reappointment by the members at every AGM held after this AGM) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Manmohan Sikka as Independent Director**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, Mr. Manmohan Sikka (DIN: 01194696), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director not liable to retire by rotation, is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, to hold office for a period upto March 31, 2019.

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Ashish Thapar as Independent Director**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, Mr. Ashish Thapar (DIN 00077281), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director not liable to retire by rotation, is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, to hold office for a period upto March 31, 2019.

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

Alteration of Articles of Association/Adoption of New Articles of Association

“RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this resolution.”



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7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Approval to Transactions with Related Parties u/s 188 of the Companies Act, 2013

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 upto the maximum per annum amounts as appended below:

MAXIMUM VALUE OF TRNASCTIONS/CONTRACTS PER ANNUAM W.E.F. 1 ST APRIL, 2014 (RS. IN CRORES)				
Transactions defined u/s 188(1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of Property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, Services or property
A. NAMES OF RELATED PARTIES	On Actual Basis- Exempted being in ordinary course of business and on arm's length basis.	Exempted being in ordinary course of business and on arm's length basis.		
BHANDARI KNIT EXPORTS		1	0.50	0.50
MIRACLE CLOTHING COMPANY		1	0.50	0.50
TBD TRADING COMPANY		1	0.50	0.50
LIFE STYLE GARMENTS		1	0.50	0.50
B. Directors / KMPs / Relatives of Directors and KMPs / Other Firms and Companies in which directors have interest as per the provisions of section 2(76) of the Companies Act, 2013	On Actual Basis- Exempted being in ordinary course of business and on arm's length basis.	1	0.50	0.50
		1	0.50	0.50
		1	0.50	0.50
		1	0.50	0.50

RESOLVED FURTHER THAT although all these transactions are based on ordinary course of business and at arms' length basis, the aforesaid consent is sought as an abundant caution, and thus the Board of Directors and/or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Acceptance of Deposits from Members

“RESOLVED THAT pursuant to the provisions of Section 73 of Companies Act, 2013 and provisions of Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, and subject to such conditions, approvals, permissions as may be necessary, consent of shareholders of the company be and is hereby accorded to the Board of Directors of the Company including any committee thereof, for inviting and accepting/renewing deposits from members of the company subject to the maximum aggregating to not more than Rs. 10 Crores outstanding at any one point of time or an amount within the limits prescribed under section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, whichever is less, in accordance with the provisions of Companies (Acceptance of Deposits) Rules, 2014, framed under section 73 of the Companies Act, 2013.

FURTHER RESOLVED THAT the Board of Directors including a committee thereof be and is hereby authorized to create a charge on its assets, obtain credit rating, taking insurance, appointing trustees and to take all other necessary steps as and when may be required, necessary, proper or expedient for the above mentioned purpose.”

Place : Ludhiana
Dated : 27.08.2014

For & On behalf of the Board
Sd/-
(NITIN BHANDARI)
Chairman & Mg. Director



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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business as set out in item nos. 4 to 8 and relevant details as required pursuant to the provisions of Clause 49 of the Listing Agreement, are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September, 2014 to Monday, the 29th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
4. The Company has transferred unclaimed dividend declared for the Financial Year 2006-07 to "The Investors Education and Protection Fund" established by the Central Government.
5. 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.
6. Members desirous of getting any information about accounts of the Company are requested to send their queries at the Registered Office of the Company at least 10 days prior to the date of meeting so that the requisite information can be readily made available at the meeting..
7. Notice is being sent to all the members of the Company whose names appear in the Register of Members / Record of Depositories as on Friday, August 29, 2014 ("Cut-off date" date"). Voting rights shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on Cut-off date. The e-voting period commences on Tuesday, the 23rd September, 2014 (09.00 am IST) and ends on Wednesday, the 24th September, 2014 (5.00 pm IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.
8. Members are requested to bring their Annual Reports at the Meeting.
9. The members/proxies should bring attendance slips duly filled in and signed for attending the meeting and handover the same at the entrance of the Hall.
10. Electronic copy of the Annual Report for 2013-2014 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(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 2013-2014 is being sent in the permitted mode.
11. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website www.bhandariexport.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office 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.
12. **In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.**
13. **The instructions for e-voting are as under:**
 - A. **In case of members receiving e-mail (for Members whose e-mail addresses are registered with the Company/ Depositories):**
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "BHANDARI HOSIERY EXPORTS LIMITED" from the drop down menu and click on "SUBMIT"
 - (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:



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For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 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. <ul style="list-style-type: none">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 number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 BHANDARI 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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) 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.



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

***For Item No. 4 and 5 of the Special Business:**

In terms of Section 149 (10), (11), (13) and Section 152 (6), (7) of Companies Act, 2013 read with schedule IV of the said Act, an Independent Director can hold office for not more than two consecutive terms of five years and the tenure of an independent director on the date of commencement of this act shall not be counted as a term under above mentioned sub sections. Furthermore the provisions relating to retirement by rotation shall not be applicable to Independent Directors. So to comply with relevant provisions of Companies Act, 2013, Independent Directors needs to be re-appointed on non rotational basis . In the opinion of the Board, Independent Directors of the Company fulfills the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. The Board also opined that they possess appropriate skill, experience and knowledge as required to occupy the position of an Independent Director. The Board has also received declaration from Independent Directors that they meet the Criteria of Independence as prescribed under section 149(6) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has also received their consent, disclosure of directorship and a disclosure to that effect that they are not disqualified under Section 164(2) of the Companies Act, 2013.

The Board recommends the re-appointment of two independent directors for a term upto March 31, 2019.

NOTICE OF INTEREST

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

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

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations of the existing AOA are no longer in conformity/harmony with the Companies Act, 2013. So, the Company needs to adopt new Articles of Association in accordance with the provisions of Companies Act, 2013. The larger part of New Companies Act, 2013 which deals with normal working of the Company has been made effective by the Ministry of Corporate Affairs. With the Act coming into force, several regulations of the existing Articles of Association of the company require alteration/deletion. So it is considered and proposed to replace the whole Articles of Association of the Company by new set of Articles. The new Articles of Association shall be based on Table F of the Companies Act, 2013 for company limited by shares.

The proposed new draft of AoA is also uploaded on the company's website for perusal by the Shareholders. The proposed new draft of AoA is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting.

The Board of Directors recommends the Special Resolution for your approval.

NOTICE OF INTEREST

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item no. 6 of the Notice.

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

TRANSACTIONS WITH RELATED PARTIES U/S 188 OF THE COMPANIES ACT, 2013

As per provision of sub-section (1) of Section 188 read with rule 15 of Companies (Meeting of Board and its Powers) Rules 2014, a company (whether private, public or listed) needs to obtain prior approval of the Board of Directors and in case the paid-up share capital of a company is Rs.10 crores or more, the prior approval of shareholders by way of a Special Resolution is required for the following related party transactions:

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company

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

The provisions of section 188(3) also provide that if any contract or arrangement entered into under section 188(1) is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of



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the Board. Pursuant to provisions of the Companies Act, 2013, the Board of Directors of the Company has approved the proposed transactions along with annual limits that the Company may enter into with its Related Parties (as defined under the new Companies Act, 2013) for the financial year 2014-15 and beyond.

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

MAXIMUM VALUE OF TRNSACTIONS/CONTRACTS PER ANNUAM W.E.F. 1 ST APRIL, 2014 (RS. IN CRORES)				
Transactions defined u/s 188(1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of Property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, Services or property
A. NAMES OF RELATED PARTIES	On Actual Basis- Exempted being in ordinary course of business and on arm's length basis.	Exempted being in ordinary course of business and on arm's length basis.		
BHANDARI KNIT EXPORTS		1	0.50	0.50
MIRACLE CLOTHING COMPANY		1	0.50	0.50
TBD TRADING COMPANY		1	0.50	0.50
LIFE STYLE GARMENTS		1	0.50	0.50
B. Directors / KMPs / Relatives of Directors and KMPs / Other Firms and Companies in which directors have interest as per the provisions of section 2(76) of the Companies Act, 2013	On Actual Basis- Exempted being in ordinary course of business and on arm's length basis.	1	0.50	0.50
		1	0.50	0.50
		1	0.50	0.50
		1	0.50	0.50

Other Disclosures:

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



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Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on May 30, 2014 and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution as an abundant precaution.

Except Promoter Directors/Non Executive Director and Key Managerial Personnel of the Company and their relatives, no other Director is concerned or interested in the Resolution.

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

Keeping in view of fund requirements, the Company may, in future, accept deposits from its members as per and in compliance with the provisions of Section 73 and as per the provisions of Companies (Acceptance of Deposits) Rules, 2014.

For the above mentioned purpose a special resolution is to be passed by shareholders for authorizing the Board of Directors to accept the deposits from Members up to a maximum amount of Rs. 10 Crores or maximum upto limits prescribed under section 73 of the Companies Act, 2013 read with of Companies (Acceptance of Deposits) Rules, 2014, whichever is less, in accordance with the provisions of Companies (Acceptance of Deposits) Rules, 2014, framed under section 73 of the Companies Act, 2013. The Board of directors is also sought to be authorized for doing all necessary acts regarding the matter.

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except to the extent of their shareholdings in the company, if any.

For & On behalf of the Board

Place : Ludhiana
Dated : 27.08.2014

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



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

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

NAME OF DIRECTOR	SH. MANMOHAN SIKKA (INDEPENDENT DIRECTOR)	SH. ASHISH THAPAR (INDEPENDENT DIRECTOR)	SH. VIKAS NAYAR (NON-EXECUTIVE DIRECTOR)
DATE OF BIRTH	07.06.1942	28.08.1952	11.10.1973
DATE OF APPOINTMENT	27.01.2007	29.03.2003	29.10.2004
QUALIFICATION	B. TECH. (TEXTILES)	B.COM	GRADUATION
SHAREHOLDING IN THE COMPANY	NIL	NIL	NIL
RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY	NIL	NIL	NIL
DIRECTORSHIP/CHAIRMANSHIP IN OTHER PUBLIC COMPANIES	1 (Unlisted Company)	NIL	NIL
MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES	NIL	NIL	NIL
EXPERTISE	Shri ManMohan Sikka, Ex-General Manager , IFCI, aged about 72 years is a Life Member of Textile Association of India (Delhi Unit) and had been a Nominee Director of IFCI on many assisted concerns during his 32 years service tenure with IFCI. He has vast experience in the fields of preparing Reports for sanction of loans, debt restructurings, production, Maintenance and Erection of Textile units, Project appraisals, reporting, analysis, assessing project costs, Financial services and Industry research.	Mr. Ashish Thapar, aged about 62 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 13 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.

For & On behalf of the Board

Place : Ludhiana
Dated : 27.08.2014

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



Bhandari Hosiery Exports Limited

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

DIRECTORS' REPORT

To
The Members,
BHANDARI HOSIERY EXPORTS LIMITED

Your Directors have pleasure in presenting their 21st Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014

FINANCIAL RESULTS

(RS. IN LACS)

PARTICULARS	2013-14	2012-13
Turnover	11153.09	9652.54
GROSS PROFIT before interest depreciation and tax	811.94	831.47
Less: Financial expenses	413.62	290.13
Less: Depreciation and preliminary exp. written off	119.56	107.93
PROFIT BEFORE TAX	278.76	433.41
Less: Provision for tax	81.09	145.64
PROFIT AFTER TAX	197.67	287.77
Add: Balance brought forward	1435.92	1148.15
Amount available for appropriation(s)	1633.59	1435.92
Balance carried to Balance Sheet	1633.59	1435.92

PERFORMANCE REVIEW

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

Despite the continued headwinds and sluggish markets your Directors are pleased to inform you that during the financial year ended 31st March, 2014, your company achieved an all time high performance in turnover.. During the year 2013-14, your Company was able to achieve turnover of Rs. 11153.09 Lacs as against Rs. 9652.54 Lacs in the year 2012-13. The Profits after Tax of the Company for the year ended 31.03.2014 has been Rs. 197.67 Lacs as against Rs. 287.77 Lacs in the previous year

EXPORTS

The Exports of the Company for the financial year ended 31.03.2014 were to the tune of Rs. 1714.67 Lacs as against Rs. 2233.70 Lacs in the previous year.

OVERVIEW OF TEXTILE INDUSTRY AND EXPORTS

The Textile industry is one of the largest and most important sectors in the Indian economy in terms of output, foreign exchange earnings and employment. India's Textile industry is one of the leading textile industries in the world. It contributes approximately 14% to India's industrial production, 4% to the GDP and 17% to the country's export earnings. It provides direct employment to over 35 million people and is the second largest provider of employment after the agricultural sector.

Textiles sector of India did remarkably well in an otherwise dull exports scenario in year 2013-14. Textile exports were worth \$30.37 billion in year 2013-14, up from \$26.36 billion in the previous year - a growth of 15.24 per cent, compared to a decline of 3.11 per cent in year 2012-13. All major segments in the sector grew at a healthy rate. Readymade garments, which accounts for nearly half of all textile exports at \$14.93 billion, grew 15.53 per cent. Cotton yarn and fabrics grew 18 per cent to \$8.88 billion, while manmade textiles grew nearly 13 per cent to \$5.69 billion. The industry is expected to grow at a significant rate in the future, as it is fuelled by a strong domestic consumption. The textile industry is expected to reach USD 223 billion by 2021.

During the year under review, the overall business and economic environment in India and other emerging countries remained challenging. The GDP growth rate dipped below 5%, amongst the lowest levels in a decade. The year witnessed



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several volatile events like significant depreciation of the rupee, burgeoning current account deficit, weakening and uncertain demand, elevated inflation and interest rates; all of which lead to declining business confidence. However, your company achieved a growth of 15.55% in total income from operations despite the continued headwinds.

The erstwhile Government initiated some steps to kick start manufacturing growth with reduction in excise duty on automobiles, high priority for faster clearance of projects etc. Steps were also taken to rein in the current account deficit by increasing import duty on Gold. But except some respite, there was no significant pick up in the pace of growth.

The Lok Sabha elections in May 2014 were a much awaited event and the country voted decisively in favor of National Democratic Alliance underscoring the wants and hopes of a nation for good governance and a growth oriented policy framework. There is a sense of optimism across the country and the newly formed government has the responsibility to deliver on its promise of stimulating growth.

A revival in economic sentiment driven by increase in manufacturing output along with job creation and an easing inflationary environment would be crucial for supporting and sustaining growth in discretionary consumer spending.

The apparel industry is amongst the oldest and the largest industries in India. The trend from stitched garments to ready to wear and from unbranded to branded apparel is well established and growing. Viewed from the retailing space the apparel market is the second largest category after food and groceries.

DIVIDEND

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS

In accordance with the Companies Act, 2013, Sh. Vikas Nayar, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

In terms of the provisions of Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. Manmohan Sikka and Mr. Ashish Thapar as Independent Directors for a term of upto 31 March 2019. Further, the Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under Sub Section (6) of Section 149 of the Companies Act 2013 and under Clause 49 of the Listing Agreement with the Sock Exchange.

AUDITORS

M/s Vipan Kumar Aggarwal & Company, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. It is proposed to reappoint them to hold office from the conclusion of this 21st Annual General Meeting (AGM) till the conclusion of the 24th Annual General Meeting to be held in 2017, subject to ratification of reappointment by the members at every AGM held after this AGM, in accordance with the provisions of Companies Act, 2013. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

AUDITORS' REPORT

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



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COST AUDITOR

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and other applicable provisions/rules/laws, M/S Khushwinder Kumar & Associates, Cost Accountants, were appointed by the company as Cost Auditors for the financial year 2013-14 to carry out duties contemplated under said Act. For the year 2012-13, the Cost Audit Report of the Company was required to be filed with the Ministry of Corporate Affairs within 180 days of the close of Financial year 2012-13, which the Company has duly filed in September, 2013. For the year 2013-14, the Cost Audit Report shall also be duly filed within prescribed time.

APPOINTMENT OF SECRETARIAL AUDITOR AND INTERNAL AUDITOR

The Company has in accordance with the applicable provisions of the Companies Act, 2013, appointed Secretarial Auditors as well as Internal Auditors for the year 2014-15.

LISTING OF SECURITIES

The securities of the Company are listed only on Bombay Stock Exchange Ltd. (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The Company has duly paid the Listing Fees to BSE upto the financial year 2014-15.

INDUSTRIAL RELATIONS

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

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with Stock Exchanges, the Cash Flow Statement for the year ended 31st March, 2014 is annexed at the end of Financial Statements.

RELATED PARTY TRANSACTIONS

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

DISCLOSURE OF COMPLAINTS OF SEXUAL HARRASMENT, CHILD LABOUR ETC.

Sr.	Category	No. of complaints during financial year 2013-14	No. of complaints pending As at end of year 2013-14
1	Child labour/forced labour/involuntary labour	The Company does not hire Child Labour, Forced Labour or Involuntary Labour. No Reported Case.	Not Applicable
2	Sexual Harassment	No reported case	Not applicable
3	Discriminatory employment	No reported case	Not applicable

CORPORATE SOCIAL RESPONSIBILITY

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

W.R.A.P. CERTIFICATION

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

BSCI (Business Social Compliance Initiative) CERTIFICATION

The Company heading towards good Corporate Social Responsibility, also 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,



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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

There is no Subsidiary of the Company.

FIXED DEPOSITS

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

GRATUITY

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

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

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

PARTICULARS OF THE EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of annual accounts, the applicable accounting standards have been followed;
- ii) Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on 31st March, 2014 and profit of the Company for the year ended 31st March, 2014.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.

DECLARATION REGARDING CODE OF CONDUCT

As per the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, I hereby declare that all the Board Members and Senior Managerial Personnel have affirmed the compliance of the Code of Conduct of the Company for the financial year ended 31st March 2014.

ACKNOWLEDGEMENTS

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

Place : Ludhiana
Date : 27.08.2014

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



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ANNEXURE-1 TO DIRECTORS' REPORT

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

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

(1) Energy conservation measures taken :

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. The Company has given due attention towards conservation of energy. It not only reduces the cost of production but also helps in conservation of natural resources which are depleting very fast. The Company is constantly looking for savings of energy and trying to conserve energy continuously by modifications or trying alternate means and continuously upgrading technology and work practices. Steps are being taken to conserve energy on a continuous basis. Besides continuing the measures taken in earlier years, following steps were taken during the year 2013-14 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 2013-14:

Measures taken	Saving amount (Rs. In Lacs)	Energy Savings 2013-14 (Units in Lacs)
<ul style="list-style-type: none"> • Installation of energy efficient light fittings. • Replacement of old & re-wound motors with Energy Efficient Motors • Replacement of derated & defective Capacitors, • Optimising Water usage in dyeing and reducing load on ETP and power usage. • Use of inverters in Unit . 	3.00	0.48

FORM -A

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

S.No.	Particulars	Unit	Current Year	Prev. Year
2.1	Power & Fuel consumption			
2.1.1	Electricity			
	A. Purchased Units	Kwh	929572	525905
	Total Amount	Rs.	6480967	3308219
	Rate per Unit	Rs./Kwh	6.97	6.29
	B} Own Generation Through Diesel Generator			
	Units	Kwh	420240	343800
	Units per Ltr. of diesel	Kwh	5.30	7.42
	Total Amount	Rs.	3914902	2200191
	Cost per unit of Kwh	Rs./Kwh	9.32	6.4
2.1.2	Coal		NIL	NIL
2.1.3	Furnace Oil		NIL	NIL
2.1.4	Other Internal Generation		NIL	NIL
2.1.5	Husk (Kg) for Steam		NIL	NIL
	Amount (Rs.)		NIL	NIL
	Rate per kg. (Rs.)		NIL	NIL
2.1.6	Fuel (Diesel for Steam)		40059	50996
	Rate Per Ltr.		54.15	47.81
2.2	Consumption/unit Production			
	Production of Garments	Pcs.	964629	1330879
	Electricity Consumed	Kwh/Pcs.	1.40	0.65
	Husk Consumed	Kg./Pcs.	NIL	NIL



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(2) PARTICULARS AS PER FORM 'B'

(A) RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

1. Specific areas in which R & D activities were carried out by the Company:

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

2. Benefits Derived

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

3. Future Plan of Action

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

4. Expenditure on R & D

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Benefits Derived

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

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

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 2012-13 is as under:

FOREIGN EXCHANGE EARNING AND OUTGO		(RS. IN LACS)	
Sr.	Particulars	2013-14	2012-13
a.	Foreign Exchange Earnings (FOB value of Exports, commission earned)	1603.16	2085.47
b.	Foreign Exchange Outgo (CIF value of Imports and expenditure in foreign currency)	95.45	106.17

Place : Ludhiana
Date : 27.08.2014

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

a. INDUSTRY STRUCTURE AND FUTURE OUTLOOK/ DEVELOPMENTS

The Indian Textile Industry is one of the leading textile industries in the world. The textiles and apparels sector is a major contributor to the Indian economy in terms of gross domestic product (GDP), industrial production and the country's total export earnings. India earns about 27 per cent of its total foreign exchange through textile exports. Besides, the Indian Textile industry contributes 14 per cent of the total industrial production of the Country. This sector provides employment to over 35 million people and it is expected that the textile industry will generate new jobs during the ensuing years. The industry went through a challenging year with the global 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 sector targets USD 6 billion foreign direct investment (FDI) by 2015 to be invested in greenfield units in textiles machinery, fabric and garment manufacturing, as well as technical textiles. (Source: CITI report)

Concerns and Threats

The 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 .



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

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

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

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

b. COMPANY'S GROWTH PROSPECTS AND NEAR TERM OUTLOOK

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

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

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

Despite the continued headwinds and sluggish markets your Directors are pleased to inform you that during the financial year ended 31st March, 2014, your company achieved an all time high performance in turnover.. During the year 2013-14, your Company was able to achieve turnover of Rs. 11153.09 Lacs as against Rs. 9652.54 Lacs in the year 2012-13. The Profits after Tax of the Company for the year ended 31.03.2014 has been Rs. 197.67 Lacs as against Rs. 287.77 Lacs in the previous year

c. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

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

PARTICULARS	2013-14	2012-13
Turnover	11153.09	9652.54
GROSS PROFIT before interest depreciation and tax	811.94	831.47
Less: Financial expenses	413.62	290.13
Less: Depreciation and preliminary exp. written off	119.56	107.93
PROFIT BEFORE TAX	278.76	433.41
Less: Provision for tax	81.09	145.64
PROFIT AFTER TAX	197.67	287.77
Add: Balance brought forward	1435.92	1148.15
Amount available for appropriation(s)	1633.59	1435.92
Balance carried to Balance Sheet	1633.59	1435.92



Bhandari Hosiery Exports Limited

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TURNOVER AND PROFITS

Despite the continued headwinds and sluggish markets your Directors are pleased to inform you that during the financial year ended 31st March, 2014, your company achieved an all time high performance in turnover.. During the year 2013-14, your Company was able to achieve turnover of Rs. 11153.09 Lacs as against Rs. 9652.54 Lacs in the year 2012-13. The Profits after Tax of the Company for the year ended 31.03.2014 has been Rs. 197.67 Lacs as against Rs. 287.77 Lacs in the previous year

FIXED ASSETS

Net fixed assets stood to Rs 2988 Lacs as against Rs. 3375 Lacs in the previous year as the Company, in the year 2013-14, has exited from shopping complex project started last year which was shown in Capital Work in Progress.

INVESTMENTS

The company has not carried out any investment activities during the year .

CURRENT ASSETS

Net Current Assets of the company stood at Rs. 2458.95 Lacs as against Rs. 1708.96 Lacs in the previous year. The money received on account of shopping complex project has been temporarily kept aside and parked in Current Assets, for providing contribution to new project.

LIABILITIES AND CAPITAL

The Issued, Subscribed and Paid up, Listed and Admitted Share Capital of the Company were Rs. 14,65,26,950 divided into 1,46,52,695 Fully Paid Equity Shares of Rs. 10/- each . Reserves and surplus amounted to Rs. 3481.40 Lacs as against Rs. 3283.72 Lacs in the previous year due to ploughing back of entire profits for planned expansion. Secured loans and Borrowings stood to the extent of Rs.2935.33 Lacs as against Rs. 2354.40 Lacs in the previous year.

d. INTERNAL CONTROL SYSTEMS

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

The Company has internal controls team comprising of qualified professionals to monitor business processes and risks associated with them. This also ensures that all transactions are authorised, recorded and reported correctly. Regular checks are carried out to ensure the robustness of the system. The Management also reviews from time to time the internal control systems and procedures to ensure their proper application. The emphasis on internal controls prevails across functions and processes, covering the entire gamut of various activities. Effective and comprehensive reviews by the Audit Committee of the Board further enhance the level and quality of internal controls within the organization.

e. DEVELOPMENTS ON HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

f. RISKS, THREATS AND RISK MANAGEMENT

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

RISKS AND THREATS

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



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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.

f. 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. The Company has several plans for modernization and expansion of existing Dyeing unit and is also side by side considering manufacture of allied products in the textile sector .

g. SUBISIDIARY

There is no Subsidiary of the Company.

h. SEGMENT WISE PERFORMANCE

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

i. EXPORTS

The Exports of the Company for the financial year ended 31.03.2014 were to the tune of Rs. 1714.67 Lacs as against Rs. 2233.70 Lacs in the previous year.



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CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

- (i) **COMPOSITION:** At present, the Board of Directors of the Company consists of 4 Directors .One is Executive Chairman cum Mg. Director. Two are Independent Directors and last one is Non-Executive Director. The Composition of the Board is as per stipulated requirements.
- (ii) **BOARD MEETINGS:** During the financial year 2013-14, the Board met 9 times on 29.05.2013, 14.08.2013, 27.08.2013, 04.10.2013, 13.11.2013, 16.01.2014, 23.01,2014, 13.02.2014 and 27.03.2014. Following is the composition of the Board, attendance and other memberships of the directors of the Company:

Name of Director	Designation	Category	No. of B.M. Attended	Attendance At last AGM	No. of Chairmanship/membership on the Board of other Public Companies	No. of Chairmanship/membership on the Committees of other Public Companies	Remarks
Shri Nitin Bhandari	Chairman and Mg. Director	Promoter Director	8	Yes	NIL	NIL	
Shri Ashish Thapar	Director	Non Executive and Independent Director	4	Yes	NIL	NIL	
Shri Vikas Nayyar	Director	Non Executive Director	7	No	NIL	NIL	
Shri ManMohan Sikka	Director	Non Executive and Independent Director	9	No	1 Membership	1 Membership	
Shri R.C. Singal (Resigned on 04.10.2013)	Director	Non Executive and Independent Director	3	Yes	7 Memberships	3 Memberships 4 Chairmanships	Resigned on 04.10.13

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

Information of Directors including those being Appointed/Re-appointed

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

INFORMATION AVAILABLE TO BOARD

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



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- 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.

3. COMMITTEES OF THE BOARD

(i) Audit Committee:

The Audit Committee was reconstituted on 04.10.2013 with Shri Ashish Thapar (Chairman), Shri Manmohan Sikka (Independent Director) and Shri Vikas Nayar (Member Director) on account of resignation of Shri R.C. Singal (Member Director). Sh. Ashish Thapar acts as Chairman of this Committee. The Company Secretary acts as Secretary to the Meetings of Audit Committee. The Audit Committee met five times during the financial year 2013-14, on 29.05.2013, 14.08.2013, 27.08.2013, 13.11.2013 and 13.02.2014. The Meetings were attended to by all the members.

Name of the Member	Designation	Meetings attended during year 2013-14	Remarks
Shri Ashish Thapar	Chairman-Independent Director	5	
Shri Vikas Nayar	Member- Non Executive Director	2	Joined Audit Committee on 04.10.2013
Shri Manmohhan Sikka	Member-Independent Director	5	
Shri R.C.Singal	Member-Independent Director	3	Resigned on 04.10.2013

The Audit Committee has been re-constituted further w.e.f. 30.05.2014, in accordance with the applicable provisions of Companies Act, 2013 and Listing Agreement with BSE. The Audit committee at present consists of 3 directors viz. Shri Manmohan Sikka (Chairman), Shri Ashish Thapar (Independent Director) and Shri Nitin Bhandari (Mg. Director). The Company Secretary is secretary to Meetings of this Committee.

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

(ii) Shareholders/Investors Grievance Committee

During the year 2013-14, the Company's Shareholders' Grievance Committee to redress the investors' complaints/queries, consisted of 3 directors viz Shri Ashish Thapar, Shri R. C. Singal, Independent Directors and Shri Vikas Nayyar, Non Executive Director . Mr Vikas Nayyar acted as Chairman of this Committee. The Company Secretary of the Company is the Compliance Officer for this Committee. During the year 2013-14, the Grievance Committee met 7 times on 27.05.2013, 14.08.2013, 01.10.2013, 11.11.2013, 11.01.2014, 11.02.2014 and 24.03.2014 at which the requisite quorum was present.



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During the financial year, the Company had not received any complaint. The Company's complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2013-14. The Company has its designated Email Address exclusively for redressal of investors Complaints i.e. investor@bhandariexport.com and the same is also mentioned at the Company's Website.

W.e.f. 30.05.2014, this Committee has been dissolved and in place a new Committee named Stakeholders Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder, the composition of which also complies with the Listing Agreement of BSE. The new Committee consists of Shri Vikas Nayar (Chairman), Shri Manmohan Sikka and Shri Nitin Bhandari as the Members.

(iii) Remuneration and Selection Committee

The Remuneration and Selection Committee of the Company consisted of 3 directors viz. Shri Ashish Thapar (Chairman), Shri Vikas Nayyar (Member) and Shri R.C. Singal (Member). After resignation of Shri R.C. Singal, Director, the said Committee was reconstituted on 04.10.2013 with Shri Manmohan Sikka joining as Member in place of Shri R.C. Singal. Shri Ashish Thapar is the Chairman of this Committee. The Company Secretary acts as Secretary to the Meetings of this Committee. During the year 2013-14, only one Meeting of the Remuneration and Selection Committee was held on 29.05.2013 which was attended by all the Members.

W.e.f. 30.05.2014, this Remuneration and Selection Committee has been dissolved and a new Committee named Nomination and Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable laws for the purposes contemplated under said provisions. The new Committee consists of Shri Manmohan Sikka (Chairman) and Shri Nitin Bhandari, Shri Ashish Thapar and Shri Vikas Nayar as the Members.

4. DIRECTORS' REMUNERATION:

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

a. Managing/Whole Time Directors

Name	Designation	Salary	Commis-sion	Other Perquisites	Total (Rs.) 2013-14	Remarks
Shri Nitin Bhandari	Chairman & Mg. Director	1440000/-	NIL	NIL	1440000/-	

b. Non Executive Directors/ Independent Directors

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

5. WHISTLE BLOWER POLICY :

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

6. COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted a "Code of Conduct for Directors and Senior Management Personnel". The Directors and Senior Management Personnel have given an Annual Affirmation during the year 2013-14, to this Code. The said Code has also been placed by the Company on its website i.e. www.bhandariexport.com

7. GENERAL BODY MEETINGS:

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



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Meeting	Day	Date	Time	Venue	No. of Special Resolutions
20 th AGM	Friday	27.09.2013	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	4
19 th AGM	Monday	28.09.2012	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	NIL
18 th AGM	Monday	26.09.2011	9.00 A.M.	Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.)	2

- (ii) No Extra Ordinary General Meetings were held during the Financial year 2013-14.
- (iii) Number of resolutions passed through postal ballot during the financial year 2013-14 was One.
- (iv) At the ensuing Annual General Meeting, there is no resolution which is proposed to be passed by postal ballot.

8. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(V) of the Listing Agreement, for the year ended 31 March, 2014.

9. DISCLOSURES:

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

9.2 Disclosure of relationship between Directors inter-se:

None of the Director is related to each other.

9.3 Disclosure of shares/ convertible instruments held by Non- Executive Directors as on 31.03.2014

A. SHARES

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

B. CONVERTIBLE INSTRUMENTS

There are no outstanding convertible Instruments as at 31.03.2014.

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

During the financial year 2013-14, there was no public/rights/preferential or bonus issue of the securities.

10. MEANS OF COMMUNICATION:

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



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11. GENERAL SHAREHOLDERS INFORMATION:

A. 21ST ANNUAL GENERAL MEETING

DATE 29.09.2014
TIME 9.00 A.M.
DAY Monday
VENUE Regd.Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana- 141007

B. FINANCIAL CALENDAR 2014-15 (TENTATIVE)

FIRST QUARTER RESULTS : MIDDLE OF AUGUST, 2014
SECOND QUARTER RESULTS : MIDDLE OF NOVEMBER, 2014
THIRD QUARTER RESULTS : MIDDLE OF FEBRUARY, 2015
FOURTH QUARTER RESULTS : MIDDLE OF MAY, 2015
ANNUAL ACCOUNTS/NOTICE : AUGUST, 2015

C. DATES OF BOOK CLOSURE : 24.09.2014 TO 29.09.2014 (BOTH DAYS INCLUSIVE)

D. FINAL DIVIDEND PAYMENT DATE : No Dividend has been recommended by the Board of Directors

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

BSE SCRIP CODE: 512608 ISIN: INE 474E01011

The Company has duly paid the Listing fees to the aforesaid Stock Exchange upto Financial Year 2014-15.

F. STOCK MARKET DATA

The month wise highest, lowest and closing stock prices vis a vis BSE Sensex during the financial year 2013-14 are given below:

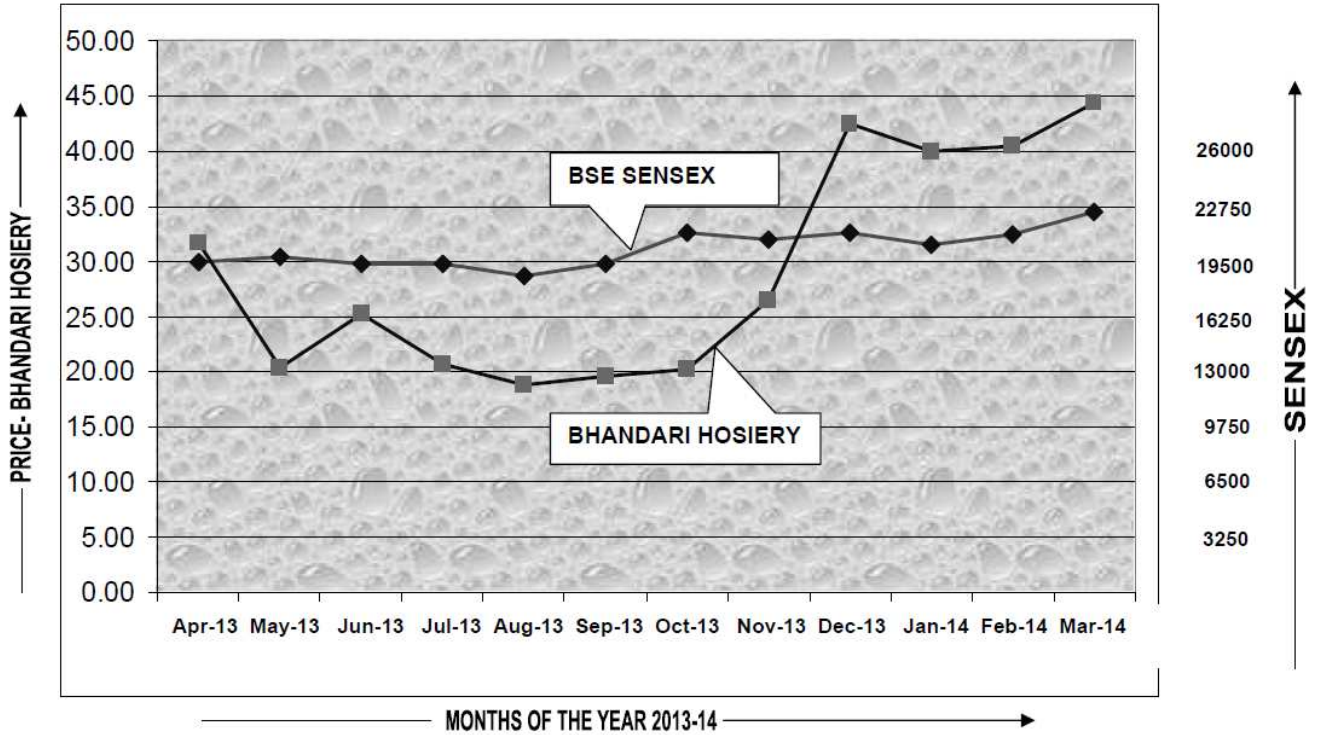
BHANDARI HOSIERY EXPORTS LIMITED				BSE SENSEX		
MONTH	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
Apr 13	37.8	27.1	31.65	19,622.68	18,144.22	19,504.18
May 13	35.65	19.25	20.45	20,443.62	19,451.26	19,760.30
Jun 13	29.05	20.1	25.25	19,860.19	18,467.16	19,395.81
Jul 13	28	19.8	20.7	20,351.06	19,126.82	19,345.70
Aug 13	21.5	16.05	18.8	19,569.20	17,448.71	18,619.72
Sep 13	22.75	18.1	19.6	20,739.69	18,166.17	19,379.77
Oct 13	24	18	20.25	21,205.44	19,264.72	21,164.52
Nov 13	28.4	19.3	26.5	21,321.53	20,137.67	20,791.93
Dec 13	44	25.55	42.4	21,483.74	20,568.70	21,170.68
Jan 14	44.2	38.45	39.9	21,409.66	20,343.78	20,513.85
Feb 14	42.8	35.7	40.5	21,140.51	19,963.12	21,120.12
Mar 14	47.25	39.2	44.4	22,467.21	20,920.98	22,386.27



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COMPARISON OF MONTHLY CLOSING PRICES/ INDICES ; BHANDARI HOSIERY VS. BSE SENSEX



G. REGISTRAR AND SHARE TRANSFER AGENT :

In accordance with the Circular of Securities and Exchange Board of India (SEBI), the work of physical share transfer of the Company is with M/S **LINK INTIME INDIA PVT LTD., 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 Company is : ISIN INE 474E01011. The shares of the Company are traded compulsorily in Demat form on Bombay Stock Exchange Ltd. and the Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

H. SHARE TRANSFER SYSTEM:

LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 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, are the RTAs of the Company to handle both physical and demat of shares activities. Physical Share Transfers are normally completed/replied within 15 days by RTAs .

I. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014

RANGE OF SHARES (Nos.)	NO. OF HOLDERS	%OF HOLDERS	NO. OF SHARES	% OF SHARES
Upto 500	3958	85.86	585615	4.00
501 to 1000	193	4.19	147261	1.005
1001 to 2000	148	3.21	231071	1.577
2001 to 3000	75	1.627	194002	1.324
3001 to 4000	28	0.607	102768	0.70
4001 to 5000	36	0.78	172748	1.178
5001 to 10000	50	1.086	392099	2.676
10001 and above	122	2.64	12827131	87.54
Total	4610	100.000	14652695	100.000



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

PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS
I Board of Directors	49 I	YES
(A) Composition of Board	49(IA)	YES
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	YES
(C) Other Provisions as to Board and Committees	49 (IC)	YES
D) Code of Conduct	(49 (ID)	YES
II. Audit Committee	49 (II)	YES
(A) Qualified & Independent Audit Committee	49 (IIA)	YES
(B) Meeting of Audit Committee	49 (IIB)	YES
(C) Powers of Audit Committee	49 (IIC)	YES
(D) Role of Audit Committee	49 II(D)	YES
(E) Review of Information by Audit Committee	49 (IIE)	YES
III. Subsidiary Companies	49 (III)	YES
IV. Disclosures	49 (IV)	YES
(A) Basis of Related Party Transactions	49 (IV A)	YES
(B) Disclosure of Accounting Treatment	49 (IV B)	YES
(C) Board Disclosures	49 (IV C)	YES
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	YES
(E) Remuneration of Directors	49 (IV E)	YES
(F) Management	49 (IV F)	YES
(G) Shareholders	49 (IV G)	YES
V. CEO/CFO Certification	49 (V)	COMPLIED / WILL BE COMPLIED
VI. Report on Corporate Governance	49 (VI)	COMPLIED / WILL BE COMPLIED
VII. Compliance	49 (VII)	YES

K. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2014

CATEGORY	NO. OF SHARES	% OF SHAREHOLDING
Promoters/ Promoters Group	3484176	23.78
Mutual Funds	0	0
Banks, FIs, Etc.	17	0.00
Foreign Institutional Investors / Foreign Mutual Funds	0	0
Private Corporate Bodies	1725160	11.77
Non Resident Indians	66337	0.45
Indian Public	9252780	63.15
Clearing Members	124225	0.85
GRAND TOTAL	14652695	100

L. SHAREHOLDING OF DIRECTORS AS ON 31.03.2014.

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 31.03.2014
Mr. Nitin Bhandari	2767830 (18.89%)
Mr. Manmohan Sikka	NIL
Mr. Vikas Nayar	NIL
Mr. Ashish Thapar	NIL

M. DEMATERIALISATION OF SHARES:

As on 31.03.2014 approx. 90.03% shares comprising 13192565 equity shares were dematerialized.



Bhandari Hosiery Exports Limited

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

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 Surinder Kumar, Chartered Accountant. Phones 88720-16410.

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

R. GREEN INITIATIVE

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

S. UNCLAIMED DIVIDENDS

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

T. OUTSTANDING GDRS/ADRS/WARRANTS

The company has not issued GDRs/ ADRs/Warrants as of March 31, 2014.

U. PLANT LOCATIONS:

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

V. ADDRESS FOR CORRESPONDENCE:

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

X. CORPORATE IDENTITY NUMBER (CIN):

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

NOTE:

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



Bhandari Hosiery Exports Limited

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

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

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

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31st March, 2014 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) Significant changes in the internal control over financial reporting during the year;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ludhiana
Date: 27.08.2014

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

Sd/-
Surinder Kumar
CFO

Declaration

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2014

Sd/-

Place: Ludhiana
Date: 27.08.2014

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

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

TO

THE MEMBERS
BHANDARI HOSIERY EXPORTS LIMITED

We have examined the compliance of the conditions of Corporate Governance by M/s Bhandari Hosiery Exports Limited for the year ended on March 31, 2014 as required in clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

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

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

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

For VIPAN KUMAR AGGARWAL & CO.
(CHARTERED ACCOUNTANTS)

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

PLACE : LUDHIANA
DATED : 27.08.2014



Bhandari Hosiery Exports Limited

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

INDEPENDENT AUDITORS' REPORT

To the Members of
M/s Bhandari Hosiery Exports Limited

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of Bhandari Hosiery Exports Limited ('the Company') which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order. We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the Directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and sub-section (2) of Section 164 of the Companies Act, 2013.

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

Sd/-

(Vipin Aggarwal)
(Prop.)

Membership No. 081198

Place : Ludhiana.
Date : 30.05.2014



Bhandari Hosiery Exports Limited

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 5 of our report of even date on the accounts for the year ended 31st March, 2014 of M/s BHANDARI HOSIERY EXPORTS LIMITED

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
(b) According to the information and explanations given to us, the management during the year has physically verified fixed assets. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and the nature of its business.
2. (a) According to the information and explanations given to us inventories have been physically verified during the year by the management at the close of the year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies in inventories noticed during verification has been properly dealt with and accounted for.
3. (a) According to the information and explanations given to us, the company has not accepted any loans from its directors covered in the register maintained under Section 301 of the Companies Act, 1956 and/or Section 189 of the Companies Act, 2013.
(b) In our opinion and according to the information and explanations given to us no loan have been taken from the parties listed in the registers maintained under Section 301 of the Companies Act 1956 and/or Section 189 of the Companies Act, 2013.
(c) No loans has been taken from or granted to the companies, firm or other parties listed in the registers maintained under Section 301 of the Companies Act 1956 and/or Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls procedures.
5. Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
6. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements entered in the registers maintained under section 301 of the Companies Act 1956 and/or Section 189 of the Companies Act, 2013 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
7. In our opinion and according to the information and explanations given to us, the company has not invited or accepted any deposits from the public.
8. In our opinion, the company has internal audit system commensurate with the size and nature of its business.
9. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
10. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, custom duty, excise-duty, cess and other statutory dues applicable to it.



Bhandari Hosiery Exports Limited

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

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, custom duty and excise duty were outstanding, as at 31.03.2014 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, there are no dues of sales tax, , custom tax/wealth-tax, excise duty/cess as on 31-03-2014. An amount of Rs. 11,48,751.00 (Rs. 7,51,486/- for year 2004-05 and Rs. 3,97,265/- for year 2008-09) on account of Income Tax has not been deposited due to appeals pending before the Appellate Authorities .
11. There are no working losses to the company. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
12. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of interest and principal dues to the banks.
13. Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The company is a manufacturing company and therefore, the provision of Clause 4 (xiii) of the Companies (Auditors' Report) Order 2003 in regard to the Nidhi and chit funds, are not applicable to the company.
15. According to the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
16. The company has not given any guarantee for loans taken by others from bank or financial institutions.
17. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were prima facie, applied by the company during the year for the purposes for which the loans were obtained.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. Further no long-term funds have been used to finance short-term assets
19. Based on our examination of records and the information provided to us by management we report that the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956 and/or Section 189 of the Companies Act, 2013.
20. During the year under review, covered by our audit report, the company has not issued any debentures. The question of creation of any security in the respect of debentures does not arise.
21. During the year under review, the company has not raised any money by public issue. Therefore the provisions of clause 4(xx) of the Companies (Auditor Report), order 2003 are not applicable to the company.
22. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-

(Vipin Aggarwal)

(Prop.)

Membership No. 081198

Place : Ludhiana.
Date : 30.05.2014



Bhandari Hosiery Exports Limited

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

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE		AS AT 31.03.2014 (Rs.)		AS AT 31.03.2013 (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	348,139,607	494,666,557	328,372,429	474,899,379
2. Non-Current Liabilities					
a) Long Term Borrowings	5	27,900,038		13,248,326	
b) Deferred Tax Liability	6	22,157,158	50,057,196	20,248,558	33,496,884
3. Current Liabilities					
a) Short Term Borrowings	5	265,136,645		220,020,296	
b) Trade Payables	7	57,159,365		101,424,957	
c) Other Liabilities	8	7,624,384		4,864,726	
d) Short Term Provisions	9	8,573,840	338,494,234	12,932,018	339,241,997
Total			883,217,988		847,638,260
II. ASSETS					
1. Non-Current Assets					
a) Fixed Assets					
i) Tangible assets	10	204,344,438		214,353,482	
ii) Intangible assets	10	166,729		177,225	
iii) Capital Work-in-Progress	10	94,317,821	298,828,988	122,970,000	337,500,707
b) Non-current investments		-	-	-	-
c) Long term loans and advances		-	-	-	-
d) Other non-current assets		-	-	-	-
2. Current Assets					
a) Inventories	11	356,228,151		344,678,030	
b) Trade Receivables	12	150,685,598		101,727,417	
c) Cash & Bank Balances	13	10,095,277		3,994,985	
d) Short Terms Loans & Advances	14	6,514,599		6,128,965	
e) Other Current Assets	15	60,865,375	584,389,000	53,608,156	510,137,553
Total			883,217,988		847,638,260

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

For Vipan Kumar Aggarwal & Co.

FRN : 007245N

Chartered Accountants

Sd/-

(Vipan Kumar Aggarwal)

Proprietor

Membership No. 081198

Place : Ludhiana

Date : 30.05.2014

Sd/-

(Surinder Kumar)
Chief Financial Officer

Sd/-

(Gurinder Makkar)
Company Secretary

Sd/-

(M.M. SIKKA)
Director

DIN :01194696

Sd/-

(Nitin Bhandari)
Chairman & Mg.
Director

DIN : 01385065



Bhandari Hosiery Exports Limited

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2014

PARTICULARS	NOTE		AS AT 31.03.2014 (Rs.)		AS AT 31.03.2013 (Rs.)
Revenue					
I. Revenue from Operations	16	1,114,547,558		964,834,884	
II. Other Income	17	762,234		419,846	
III. Total Revenue (I+II)			1,115,309,792		965,254,730
IV. Expenses					
Cost of Raw Materials Consumed	18		823,255,668		706,400,407
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19		7,952,805		(10,477,205)
Manufacturing Expenses	20		127,287,025		114,574,710
Employee benefits expense	21		26,782,370		22,281,044
Office & Administrative Expenses	22		14,793,760		14,054,770
Auditors Remuneration	23		101,124		101,124
Finance Cost	24		41,362,496		29,012,756
Selling & Distribution Expenses	25		33,943,101		35,172,972
Depreciation Expense	10		11,955,722		10,792,925
Other Expenses	-		-		-
Total Expenses			1,087,434,070		921,913,503
V. Profit Before Exceptional And Extra- Ordinary Items And Tax			27,875,722		43,341,227
VI. Exceptional Items			-		-
VII. Profit before extraordinary items and tax (V+VI)			27,875,722		43,341,227
VIII. Extraordinary items			-		-
IX. Profit before tax (VII-VIII)			27,875,722		43,341,227
X. Tax Expense					
a) Current Tax			7,109,140		11,779,004
b) Deferred Tax			1,908,600		2,770,200
c) Wealth Tax 2010-11			6,720		14,723
d) Excess Provision income tax of earlier years written back			915,917		-
XI. Profit after taxation (From continuing Operations)			19,767,178		28,777,300
Surplus carried over to Balance Sheet			19,767,178		28,777,300
Net Profit available for Equity Shareholders			19,767,178		28,777,300
Number of equity shares			14,652,695		14,652,695
Basic Earning per Share of Rs. 10/- each (Please refer Note 26)			1.35		1.96
Diluted Earning per Share of Rs. 10/- each /Weighted Average (Please refer Note 26)			1.35		1.96

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

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

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

Sd/-
(Surinder Kumar)
Chief Financial Officer

Sd/-
(Gurinder Makkar)
Company Secretary

Sd/-
(M.M. Sikka)
Director
DIN:01194696

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

Place : Ludhiana
Date : 30.05.2014



Bhandari Hosiery Exports Limited

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

NOTE1- CORPORATE INFORMATION

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

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

NOTE 2-ACCOUNTING POLICIES

2.1 ACCOUNTING POLICIES

(a) Basis of Accounting :

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

(b) Presentation and disclosure of Financial Statements

For the year ended 31 March 2014, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its Financial Statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

(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.



Bhandari Hosiery Exports Limited

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

(f) Fixed Assets:

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

(g) Depreciation:

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

(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) Foreign Currency Conversion/Translation

- (i) The export sales are converted at the exchange rates prevailing on the date of custom clearance of export bills. The fluctuations in the exchange rates are accounted for as and when the payment is received and the amount is credited/ debited to the respective Sale Account.
- (ii) In respect of export bills remaining unrealized at the year end against which the payments received in the subsequent years the difference arising thereon is recognized as difference in exchange rates under the head misc. income/expenses.
- (iii) The total sales are inclusive of export incentives and rebate & discounts and rebate of Rs. 15745033/- (Previous Year Rs. 13851731/-) has been shown separately under selling expenses in Statement of Profit and Loss..

2.2 Contingent Liabilities not provided for

(Rs. In Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
(a) Letter of Credit Outstanding	98.15	70.47
(b) Bank Guarantees Outstanding	2.00	0.00
(c) Bill discounting with bank against irrevocable Letter of Credit	169.53	356.76

(d) Following cases are lying pending in appeal against different appellate authorities.

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

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

2.4 Legal cases by and against Company

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

Name of the Complaint Sr. No. / Plaintiff	Court of JMIC	Nature of Proceedings	Status
1. BHANDARI HOSIERY V/s Sharda Logistics	Deepali Gupta	U/S 138 of N.I.A	P.O. declared
2. BHANDARI HOSIERY V/s Avtar Singh	Vipindeep Kaur	U/S 138 of N.I.A	P.O. declared
3. BHANDARI HOSIERY V/s SRS Exports (Ravneek Uppal)	Yukti Goel	U/S 138 of N.I.A	P.O. declared
4. BHANDARI HOSIERY V/s Ambika Traders (Kanti Gupta)	Randir Verma	Civil Suit	Witness
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	NOTICE

- 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.



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2.6 Impairment of Assets:- An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value

An impairment loss will be charged to the Statement of profit and loss in the year in which an assets is identified as impaired.

2.7 Party's balances (under Debtors, Creditors and Advances) as at the year end are subject to confirmation. However Company has a perpetual system of reconciling the accounts with its suppliers & customers during the year.

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

2.9 Segment Reporting

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

Particulars	2013-14 (Rs.)	2012-13 (Rs.)
Sales -Export	171,467,065	223,370,497
Sales-Domestic	<u>943,080,493</u>	<u>741,464,387</u>
Total	1,114,547,558	964,834,884

2.10 Investments

Particulars	2013-14	2012-13
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.1908600/- (previous year 2770200/-) which consists of the following:

PARTICULARS	At the beginning of the Year	Charged during the year	At the close of year
Timing Difference on account of			
-Depreciation	20248558	1908600	22157158
-Others	0	0	0
-Net Deferred Tax Liability	20248558	1908600	22157158

2.12 Micro, Small and Medium Industries:-

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

2.13 Related Party Disclosure

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

Particulars	Key Management Personnel	Enterprises over which KMP is able to exercise Significant influence	Total (Amt. in Rs.)
(1)	(2)	(3)	(4)
Purchase of Goods	0	Bhandari Knit Exports	108848093
Sale of Goods	0	Bhandari Knit Exports	183955950
Job Work	0	Bhandari Knit Exports	19870041
Purchase of goods	0	Miracle Clothing company	5719124
Sale of goods	0	Miracle Clothing Company	5468672
Managerial Remuneration			14,40,000



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Note :-

1. Associates : Bhandari Knit Exports (BKE)
: Miracle Clothing Company (MCC)
2. Key Management Personnel : Sh. Nitin Bhandari
: Sh. Naresh Bhandari
: Mrs. Kusum Bhandari
3. Enterprises over which KMP is able to exercise Significant influence : M/s Bhandari Knit Exports
: M/s Miracle Clothing Company

2.14 Leases

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

2.15 Additional Information

a) Value of Imports Calculated on C.I.F. Basis	2014 (Rs.)	2013 (Rs.)
(i) Stores, Spares, Needles, Labels, Packing Material, Leather goods etc.	8289897	6744084
b) Expenditure in Foreign Currency		
(a) Travelling and Conveyance	1060333	2102384
(b) Quality claim, rebate & discount etc.	194968	1771151
c) Foreign Exchange Earnings		
(a) FOB Value of Exports	160315997	208546880

d) The Value of Consumption of Raw Materials and Stores

Particulars	Year ended 31st March	Raw Material	% age	Stores	% age
a) Imported	2014	NIL	NIL	8289897	37.47
b) Indigenous	2014	823255668	100	13833714	62.53
a) Imported	2013	NIL	NIL	6744084	28.71
b) Indigenous	2013	706400407	100	16742706	71.29

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 26 form an integral part of the financial statement

For Vipin Kumar Aggarwal & Co.

FRN : 07245N

Chartered Accountants

(Vipin Kumar Aggarwal)

(Surinder Kumar)

Chief Financial Officer

(Gurinder Makkar)

Company Secretary

(M.M. Sikka)

Director

(Nitin Bhandari)

Chairman & Mg.

Director

DIN :01194696

DIN : 01385065

Proprietor

Membership N. 081198

Place : Ludhiana

Date : 30.05.2014



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NOTE 3- SHARE CAPITAL

PARTICULARS	AS AT 31.03.2014 (Rs.)	AS AT 31.03.2013 (Rs.)
SHARE CAPITAL		
a) Authorised Capital 2,50,00,000 equity shares of Rs. 10/- each (Previous Year 25000000 equity shares of Rs. 10/- each)	250,000,000	250,000,000
b) Issued Share Capital 14,652,695 equity shares of Rs. 10/- each (fully paid up) (Previous Year 14,652,695 equity shares of Rs. 10/- each fully paid up)	146,526,950	146,526,950
c) Subscribed & Paid up Capital 14,652,695 equity shares of Rs 10/-each(fully paid up) (Previous Year 14,652,695 equity shares of Rs. 10/- each fully paid up)	146,526,950	146,526,950

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

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the period	14,652,695	146,526,950	10,065,195	100,651,950
Add: Shares Issued during the year	NIL	NIL	4,587,500	45,875,000
Less: Shares bought back during the year	NIL	NIL	NIL	NIL
Add: Other movements during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the period	14,652,695	146,526,950	14,652,695	146,526,950

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

Name of Shareholder	31.03.2014		31.03.2013	
	No of Share	% of Holding	No of Share	% of Holding
1. NITIN BHANDARI	2,767,830	18.89	2,767,830	18.89
2. NITIKA BHANDARI	697,711	4.76	976,081	6.66

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

Particulars	Year (Aggregate No. of Shares)					
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
EQUITY SHARES:						
Opening Balance as a beginning of year	14,652,695	10,065,195	10,065,195	7,455,700	7,455,700	7,455,700
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	2,609,495	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL
Rights issue/FPO/Preferential issue/Conversion of Warrants/ any other	NIL	4,587,500	NIL	NIL	NIL	NIL
TOTAL/BAL. AT CLOSE OF YEAR	14,652,695	14,652,695	10,065,195	10,065,195	7,455,700	7,455,700
PREFERENCE SHARES**:						
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.

**** There are no outstanding warrants/securities convertible into equity shares as at 31st March 2014



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f) Terms/rights attached to equity shares.

The company has only one class of equity shares having face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

NOTE-4 RESERVE & SURPLUS

PARTICULARS	AS AT 31.03.2014 (Rs.)		AS AT 31.03.2013 (Rs.)
a) Share Premium Reserves			
Opening Balance	-	-	-
Addition during the Year (Preferential allotment of 4587500 shares at Premium of Rs 34/- per Share)			
Less Utilized for issue of Bonus Shares	-	155,975,000-	155,975,000
b) General Reserves			
Opening Balance	28,805,050	28,805,050	28,805,050
Less Utilized for issue of Bonus Shares	-	28,805,050	28,805,050
Balance carried forward			
c) Surplus in Statement of Profit & Loss			
Opening Balance of Profits	143,592,379	114,815,079	143,592,379
Add : Profit for the year	19,767,178	163,359,557	28,777,300
Total of Reserves & Surplus (a+b+c)		348,139,607	328,372,429

NOTE-5 LONG TERM AND SHORT TERM BORROWINGS

LONG TERM BORROWINGS

SECURED LOANS:

PARTICULARS	AS AT 31.03.2014 (Rs.)	AS AT 31.03.2013 (Rs.)
Term Loans	-	-
a. S.B.I. Term Loan A/C No. 31416133417	497,032	2,172,312
	-	-
Total (a)	497,032	2,172,312

Terms of Payments of Term Loans		2013-14	2014-15	2015-16
S.B.I. Term Loan A/c No. 31416133417	Rs. In Lacs		4.97	

S.B.I. Term Loan A/C No. 31416133417 at point a) above is repayable in 60 monthly installments of Rs. 1.5 Lacs Per month. . Rate of interest is 12.25% p.a. There is no default in repayment of loan and interest thereon. It will be squared up in year 2014-15.

Security given to Bank

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

All the credit facilities are guaranteed by personal guarantee of the Managing Director. Term loans at s no. a, are also collaterally secured by Equitable mortgage of the land & Building of M/s Bhandari Knit Exports.



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PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Financial lease Hire Charges obligations		
b. Kotak Mahindra Bank Ltd. Car Loan A/C	-	516,386
c. ICICI Bank Car Loan		78,330
d. HDFC Bank Vehicle Loan		238,868
e. Kotak Mahindra Bank Ltd.	6,002,339	5,007,520
f. Tata Capital Financial Services Ltd	1,740,027	2,488,960
g. Magma Fin-corp. Ltd	1,880,039	2,745,950
h. Axis Bank	17,780,601	-
Total (b)	27,900,038	13,248,326

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

SHORT TERM BORROWING

PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Working Capital Limits.		
i. S.B.I E.P.C & SLC	77,532,309	63,998,482
j. S.B.I. CC 30729399785	177,789,336	148,974,814
k. LC Payable	9,815,000	7,047,000
Total (c)	265,136,645	220,020,296
GRAND TOTAL (a+b+c)	293,533,715	235,440,934

Security provided to the banks, Financial institutions

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

-EPC is repayable on demand. Rate of interest payable is 11.50% p.a. There is no default in repayments of the amounts and interest thereon.

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

NOTE-6 DEFERRED TAX LIABILITY

PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Deferred Tax Liability (See note 2.10 also)		
Opening Balance	20,248,558	17,478,438
Add:-Provision for the year	1,908,600	2,770,120
	22,157,158	20,248,558

NOTE 7- TRADE PAYABLES

PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Trade Payables	57,159,365	101,424,957
	57,159,365	101,424,957



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NOTE-8- OTHER LAIBILITIES

PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Unpaid dividend (See Note 13 also)	222,488	222,488
Statutory dues	432,907	426,157
Other payables	5,550,778	3,456,865
Advances from customers	1,418,211	759,216
Total	7,624,384	4,864,726

NOTE 9- PROVISIONS

PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Provision for Gratuity	1,464,700	1,153,014
Provision of Income Tax	7,109,140	11,779,004
	8,573,840	12,932,018

NOTE-10-FIXED ASSETS FOR THE YEAR ENDED 31.03.2014 (Amount in Rs.)

NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	ADDITIONS DURING	SALE/DELETION	AS AT	AS AT	WRITTEN	FOR THE	UP TO	AS AT	AS AT
	01.04.2013	THE YEAR	YEAR	31.03.2014	01.04.2013	BACK	YR.	31.03.2014	31.03.2014	31.03.2013
(I) TANGIBLE ASSETS										
FREE HOLD LAND	3,732,500	-	-	3,732,500	-	-	-	-	3,732,500	3,732,500
BUILDING SITE & DEVELOPMENT	157,585,207	-	-	157,585,207	15,075,688	-	5,263,346	20,339,034	137,246,173	142,509,519
TEMPORARY FITTING	916,131	-	-	916,131	537,861	-	27,759	565,620	350,511	378,270
PLANT & MACHINERY	92,949,774	1,740,310	450,250	94,239,834	42,944,085	111,391	4,466,336	47,299,030	46,940,804	50,005,689
FURNITURE & FIXTURE	6,346,828	448,581	362,808	6,432,601	3,011,269	-	404,912	3,416,181	3,016,420	3,335,559
OFFICE EQUIPMENT	2,215,063	9,250	6,605	2,217,708	854,538	-	105,149	959,687	1,258,021	1,360,525
ELECTRIC FITTING & EQUIPMENT	15,912,384	869,501	465,174	16,316,711	7,262,806	41,986	650,000	7,870,820	8,445,891	8,649,578
CAR	10,233,175	-	-	10,233,175	6,520,637	-	929,378	7,450,015	2,783,160	3,712,538
VEHICLES	1,154,945	-	-	1,154,945	485,640	-	98,346	583,986	570,959	669,305
TOTAL	291,046,006	3,067,642	1,284,837	292,828,811	76,692,524	153,377	11,945,226	88,484,373	204,344,438	214,353,482
(II) Intangible assets	220,958	-	-	220,958	43,733	-	10,496	54,229	166,729	177,225
(III) Capital Work in Progress - I	122,970,000	-	29,500,000	93,470,000	-	-	-	-	93,470,000	122,970,000
(IV) Capital Work in Progress - II	-	847,821	-	847,821	-	-	-	-	847,821	-
TOTAL	414,236,964	3,915,463	30,784,837	387,367,590	76,736,257	153,377	11,955,722	88,538,602	298,828,988	337,500,707
PREVIOUS YEAR	169,700,346	247,437,029	2,900,411	414,236,964	66,009,014	65,682	10,792,925	76,736,257	337,500,707	103,691,332

NOTE-11-INVENTORIES

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
(Valued at Cost or net realisable value, whichever is lower as certified by the Management of the Company)		
-Stores and Spares(At cost)	5,014,950	3,635,375
-Raw Materials (At cost)	51,932,980	33,809,630
-Finished Goods & wastage (At cost or net realizable value whichever is lower)	196,964,562	165,740,835
- Work-in-Progress(At estimated cost)	102,315,658	141,492,190
	356,228,151	344,678,030

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.



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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	31.03.2014 (Rs.)	31.03.2013 (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	5,253,304	12,616,853
Foreign	-	2,351,658
Total	5,253,304	14,968,511
b) Others		
Domestic	138,098,610	72,523,260
Foreign	24,286,574	49,912,565
	162,385,184	122,435,825
Less Negotiated from bank	16,952,890	35,676,919
	150,685,598	101,727,417

NOTE-13-CASH & BANK BALANCES

PARTICULARS	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Cash in hand	2,065,512	361,507
Cheques deposited but not clear	-	146,978
Balance with scheduled banks	4,972,194	958,437
Bank Deposit with original Maturity of More than 3 months and up to 12 months.	2,834,629	2,303,686
Dividend account (Unpaid Dividend Account)	222,942	224,377
	10,095,277	3,994,985

NOTE-14-LOANS & ADVANCES

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
(Unsecured, Considered Good unless otherwise stated)		
a) Advances recoverable in cash or kind or value to be received	4,941,749	4,406,115
Less:-Provision for unrecoverable Receivables	-	-
	4,941,749	4,406,115
b) Securities and Deposits	1,572,850	1,722,850
TOTAL	6,514,599	6,128,965

NOTE-15-OTHER THAN CURRENT ASSETS

PARTICULARS	AS AT 31.03.2014 (Rs.)	AS AT 31.03.2013 (Rs.)
OTHER CURRENT ASSETS		
VAT Refund Receivable	6,643,533	8,161,047
Investments Proceeds Realisable	630,000	630,000
Export incentive Receivables	3,296,103	6,124,389
Advance Income Tax for the A.Y. 2014-15	3,582,070	11,962,637
Income Tax A.Y 2013-14	906,530	
Income Tax under appeal A.Y 2004-05	833,829	833,829
Income Tax under appeal A.Y 2008-09	200,000	200,000
Advances to suppliers for Capital Goods / Raw Materials/	44,773,310	25,696,254
	60,865,375	53,608,156



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NOTE-16- REVENUE FROM OPERATIONS

PARTICULARS	AS AT 31.03.2014 (RS.)		AS AT 31.03.2013 (RS.)
Turnover			
Sales -Export	171,467,065		223,370,497
Sales-Domestic	943,080,493		741,464,387
	1,114,547,558		964,834,884

NOTE-17- OTHER INCOME

PARTICULARS	AS AT 31.03.2014 (RS.)		AS AT 31.03.2013 (RS.)
Other Income			
Misc. Income	762,234		412,342
Profit on Sale of Assets	-		1,132
Sundry Balance Written Back	-		6,372
	762,234		419,846

NOTE-18-COST OF RAW MATERIALS CONSUMED

PARTICULARS	AS AT 31.03.2014 (RS.)		AS AT 31.03.2013 (RS.)
Material Consumed			
Opening stock of Raw materials	33,809,630		35,512,300
Purchase of raw materials	202,843,046		150,752,250
	236,652,676		186,264,550
Less: Closing stock of raw materials	51,932,980		33,809,630
Material Consumed	184,719,696		152,454,920
Add: Purchase of finished and semi-finished goods	638,535,972		553,945,487
	823,255,668		706,400,407

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

PARTICULARS	AS AT 31.03.2014 (RS.)		AS AT 31.03.2013 (RS.)
Increase in Stock			
Closing stock of WIP	102,315,658		141,492,190
Closing stock of finished goods	196,964,562		165,740,835
	299,280,220		307,233,025
Less:			
Opening stock of Work-in-Process	141,492,190		194,227,856
Opening Stock of Finished Goods	165,740,835		102,527,964
	307,233,025		296,755,820
Increase in stock	7,952,805		(10,477,205)



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NOTE 20-MANUFACTURING EXPENSES

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
MANUFACTURING EXPENSES		
Consumables	22,123,611	23,486,790
Dyeing & Finishing	46,853,244	43,391,766
Wages	22,704,790	23,658,829
Testing & Sampling	852,161	
Knitting Charges	13,339,766	16,090,796
Power & Fuel	21,413,453	7,946,529
	127,287,025	114,574,710

NOTE 21- EMPLOYEES BENEFITS EXPENSES

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
PERSONNEL EXPENSES		
Director's Remuneration	1,440,000	1,200,000
Salary	20,066,980	18,634,968
Contr. to PF, ESI etc.	1,637,352	1,559,741
Worker's Welfare, Bonus, LWW, L.T.C. etc.	3,638,038	886,335
	26,782,370	22,281,044

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. Acturail gain and losses are reconised 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 onligation as per Acturial Valuation.
- iii) Leave with Wages
- Provision for the leave with wages in made on the basis of leave accrued to the employees.



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

NOTE-22 OFFICE ADMINISTRATIVE EXPENSES

PARTICULARS	AS AT 31.03.2014 (RS.)		AS AT 31.03.2013 (RS.)
<u>office administrative expenses</u>			
Repair & Maintenance			
- Building	399,752		320,366
- Electric	743,220		394,477
- General	622,193		465,226
- Machinery	3,487,080		1,656,600
- Vehicle	630,102		463,550
Telephone & Telex	530,355		620,684
Printing & Stationery	994,566		903,345
Insurance Charges	740,631		581,844
<u>Traveling & Conveyance</u>			
- Directors (Foreign)	159,070		702,283
- Directors (Domestic)	20,550		63,048
-Others	4,164,029		4,756,289
Charity and Donation	6,600		6,750
Vehicle Running Expenses	314,042		381,814
Legal & Professional	558,092		682,185
Fee & Taxes	587,759		122,748
Misc. Expenses	353,596		981,561
Loss on Sale of Assets	46,873		-
Rent Paid for showrooms	435,250		952,000
	14,793,760		14,054,770

NOTE-23 AUDITORS REMUNERATION

PARTICULARS	AS AT 31.03.2014 (RS.)		AS AT 31.03.2013 (RS.)
<u>Auditors Remuneration</u>			
Audit Fee	90,124		90,124
Tax Audit	11,000		11,000
	101,124		101,124



Bhandari Hosiery Exports Limited

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

NOTE-24 FINANCE COSTS

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
FINANCIAL EXPENSES		
Bank Charges & Commission	3,120,844	1,330,507
Loss of Forward contract booking	4,177,554	599,179
Bank Interest	34,064,098	27,083,070
	41,362,496	29,012,756

NOTE-25 SELLING & DISTRIBUTION EXPENSES

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
SELLING & DISTRIBUTION EXPENSES		
Commission	2,426,268	2,730,516
Export Expenses	392,076	902,431
Packing Expenses	332,500	4,817,765
Courier Expenses	2,060,674	2,137,880
Rebate & Discount (Sales)	15,745,033	13,851,991
Rebate & Discount (Quality Claim)	195,754	1,771,151
Sale Promotion & Exhibition	4,365,832	1,455,548
Shipping & Freight	8,424,963	7,505,690
	33,943,100	35,172,972

NOTE 26 - EARNING PER SHARE (EPS)

SR.	PARTICULARS	F.Y. ENDED 31 ST MARCH, 2014	F.Y. ENDED 31 ST MARCH, 2013
A	Net profit as per Statement of Profit and Loss	19,767,178	28,777,300
B	Net profit available to Equity Share holders	19,767,178	28,777,300
C	No. of equity shares at year end	14,652,695	14,652,695
D	Weighted average number of Equity shares used as denominator for calculating EPS *	14,652,695	13081634
E	Basic and Diluted Earning per Share (Rs.)	1.35	2.20
F	Face value per Equity Share	Rs. 10/-	Rs. 10/-

* 4,587,500 Fully Paid Equity shares of face value of Rs. 10/- each were issued and allotted on 04.08.2012 by way of Preferential issue to non promoters/ Specified Persons of Public in the year 2012-13. The Basic and Diluted EPs has been calculated in accordance with Accounting Standard AS-20 accordingly in view of above Preferential issue during financial year 2012-13.

For Vipan Kumar Aggarwal & Co.

FRN : 07245N

Chartered Accountants

Sd/-
(Vipan Kumar Aggarwal)

Sd/-
(Surinder Kumar)
Chief Financial Officer

Sd/-
(Gurinder Makkar)
Company Secretary

Sd/-
(M.M. Sikka)
Director

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

DIN :01194696

DIN : 01385065

Proprietor

Membership N. 081198

Place : Ludhiana

Date : 30.05.2014



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

CASH FLOW STATEMENT FOR THE YEAR 2013-14

(Rs. In Lacs)

A) CASH FLOW FROM OPERATING ACTIVITIES	CURRENT YEAR	PREVIOUS YEAR
Net Profit before Tax and Extraordinary items	278.76	433.41
Adjustment For :		
Depreciation after written back	118.02	107.27
Interest Received	-7.62	-4.20
Interest and Financial Expenses	413.62	290.13
Adjustment against Reserves and Surplus	9.16	0.00
Operating Profit before Working Capital Changes	811.94	826.61
Adjustment For :		
Trade and other receivables	-566.01	-488.15
Increase decrease in inventories	-115.50	-66.82
Increase decrease in Trade Payables	-458.64	282.71
Cash Generated from Operations	-328.21	554.36
Less Interest Paid	413.62	290.13
Less Direct Tax Paid	71.16	117.94
Cash flow before extraordinary items	-812.99	146.29
Extraordinary items	0.00	0.00
Net Cash from Operating Activities	- 812.99	146.29
B) CASH FROM INVESTING ACTIVITIES		
Issue of fresh capital	0.00	458.75
Share premium on fresh capital	0.00	1559.75
Purchase of fixed assets	-39.15	-2474.37
Sale of fixed Assets	307.85	29.00
Interest received	7.62	4.20
Realisation from Investments	0.00	0.00
Net Cash from Investing Activities	276.32	-422.67
C) CASH FROM FINANCING ACTIVITIES		
Increase in Bank Borrowing	597.68	251.41
Repayment of Short Term Borrowings	0.00	0.00
Repayment of Unsecured Loan if any	0.00	0.00
Net Cash from Financing Activities	597.68	251.41
D) Net Increase or decrease in Cash and Cash equivalents (A+B+C)	61.00	-24.96
Cash & Cash equivalents (Opening Balance)	39.95	64.91
Cash and Cash equivalents (Closing Balance)	100.95	39.95

By Order of the Board
for **BHANDARI HOSIERY EXPORTS LIMITED**
Sd/-
(NITIN BHANDARI)
Chairman & Managing Director

PLACE : LUDHIANA
DATED : 30.05.2014

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of **Bhandari Hosiery Exports Limited** for the year ended 31st March, 2014. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement of the Bombay Stock Exchange Limited and is based on and is in agreement with the corresponding Statement of Profit & Loss and the Balance Sheet of the Company Covered by our report of even date of the Members of the Company.

For **Vipan Kumar Aggarwal & Co.**
(Chartered Accountants)
Sd/-
(Vipan Aggarwal)
Proprietor
(Membership No. 081198)

Place : Ludhiana
Dated : 30.05.2014



Bhandari Hosiery Exports Limited

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



BHANDARI HOSIERY EXPORTS LIMITED

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

Form No. MGT-11
Proxy form

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

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

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

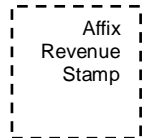
1. Name :
2. Address :
3. E-mail Id :
4. Signature :, or failing him
1. Name :
2. Address :
3. E-mail Id :
4. Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21ST Annual General Meeting of the company, to be held on Monday, the 29TH day of September, 2014 At 09.00 a.m. at registered office of the company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)** and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Resolutions	Optional (Please mark Tick <input type="checkbox"/>)	
		FOR	AGAINST
Ordinary Business			
1	Adoption of Audited Balance Sheet as at 31st March, 2014, Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors and Directors thereon.		
2	Reappointment of Shri Vikas Nayar as Director who retires by rotation		
3	Re-appointment of M/s Vipin Kumar Aggarwal & Co. as Statutory Auditors of the company for a period of 3 years		
Special Business			
4	Appointment of Shri Manmohan Sikka as Independent Director		
5	Appointment of Shri Ashish Thapar as Independent Director		
6	Special Resolution for adoption of new set of Articles of Association		
7	Special Resolution for approval to Related Parties Transactions u/s 188 of the Companies Act, 2013		
8	Special Resolution for inviting and accepting/renewing deposits from Members u/s 73 of the Companies Act, 2013.		

Signed this..... day of 2014

Signature of shareholder..... Signature of Proxy holder(s).....



Note: 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.

BHANDARI HOSIERY EXPORTS LIMITED

ATTENDANCE SLIP

I hereby record my presence at the 21ST ANNUAL GENERAL MEETING of the Company being held on Monday, the 29th day of September, 2014 at 9.00 a.m. at the Registered Office of the Company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)**

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

Folio No D. P. ID/ Client ID.

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

SIGNATURE.....

NOTE : 1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. **2.** A proxy need not be a member.



Bhandari Hosiery Exports Limited

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

INNER AND OUTER VIEWS OF "BHANDARI HOSIERY" SHOWROOMS/RETAIL OUTLETS





Bhandari Hosiery Exports Limited

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

INNER AND OUTER VIEWS OF "BHANDARI HOSIERY" SHOWROOMS/RETAIL OUTLETS



If Undelivered, Please Return to:
BHANDARI HOSIERY EXPORTS LIMITED
Regd. Office: Bhandari House, Village Meharban,
Rahon Road, Ludhiana-141007 (Punjab)