



## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY

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

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

### 2. BOARD OF DIRECTORS

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

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

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

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

#### Information of Directors including those being Appointed/Re-appointed

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



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

**Brief Profile of Directors:**

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



### **INFORMATION AVAILABLE TO BOARD**

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

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

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

### **BOARD PROCEDURE**

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

### **PERFORMANCE EVALUATION:**

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

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

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

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

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

All the Independent Directors were present at the meeting.

### **FAMILIARISATION PROGRAMME FOR DIRECTORS**

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



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

### **CODE OF CONDUCT:**

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

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

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

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

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

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

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

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

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

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

The Company Secretary is secretary to this Committee.

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

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

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

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

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



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

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

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

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

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

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

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

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

**(iv) Corporate Social Responsibility Committee**

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



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

**Key Responsibilities of the CSR Committee:**

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

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

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

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

##### I. POLICY

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

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

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

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

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

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

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

###### Remuneration for Managing Director

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

**C. COMPLIANCE**

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

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

**I. The Board**

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

**II. Shareholder Rights**

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

**III. Audit Qualifications**

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

**IV. Reporting of Internal Auditor**

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

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

None of the Director is related to each other.

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

**a. . SHARES**

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

**b. CONVERTIBLE INSTRUMENTS**

There are no outstanding convertible Instruments as at 31.03.2016.

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

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

**7. CODE OF CONDUCT**

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

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

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





## 9. COMPLIANCE WITH CODE OF CONDUCT

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

## 10. GENERAL BODY MEETINGS

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

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

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

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

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

Item No. 1

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

Item No. 2

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

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

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

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

### Procedure for Postal Ballot:

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



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

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

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

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

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

The Company communicates with the shareholders through its Annual Reports, Publication of quarterly Results, press releases and reports and returns filed with Stock Exchanges and Registrar of Companies etc. The financial results are normally published in Financial Express and Nawa Zamana/Desh Sewak. All information including business updates, product, process, financials such as Annual Reports, Quarterly results, Shareholding Pattern, different codes are also available on the Company's Website i.e www.bhandariexport.com and information about it is also given in the Annual Reports and publications made by the Company. The Investor Complaints are processed in a centralized web based complaints redressal system on www.scores.gov.in, a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had dispose of all the pending complaints filed through scores.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

**H. SHARE TRANSFER SYSTEM:**

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

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

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



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

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

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

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

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

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

<b>Name of Directors</b>	<b>Number of Shares held as on 31.03.2016</b>
Mr. Nitin Bhandari	25178300 (17.18%)
Ms. Manmeet Sikka	NIL
Mr. Vikas Nayar	NIL
Mr. Ashish Thapar (Resigned on 12.08.2016)	NIL
Mr. Arun Kumar Oberoi (Appointed w.e.f. 22.07.2016)	NIL

**M. DEMATERIALISATION OF SHARES:**

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

**N. COMPLIANCE OFFICER :**

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

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

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

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

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

**R. GREEN INTITATIVE**

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

**S. UNCLAIMED DIVIDENDS**

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



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

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

**U. PLANT LOCATIONS:**

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

**V. ADDRESS FOR CORRESPONDENCE:**

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

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

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

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



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

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

- (A) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies; and
- (D) We have indicated to the auditors and the Audit committee;
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ludhiana  
Date: 12.08.2016

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

Sd/-  
**Manoj Kumar**  
CFO

**Declaration Regarding Code of Conduct**

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

Sd/-

Place: Ludhiana  
Date: 12.08.2016

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

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

TO

THE MEMBERS  
BHANDARI HOSIERY EXPORTS LIMITED

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

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited

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

For VIPAN KUMAR AGGARWAL & CO.  
(CHARTERED ACCOUNTANTS)

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

PLACE : LUDHIANA  
DATED : 12.08.2016