

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER
FOR ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY**

This is an Abridged Letter of Offer containing the salient features of the Letter of Offer dated September 05, 2023 (Letter of Offer) which is available on the websites of the Registrar, our Company, and the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (BSE) and National Stock Exchange (NSE). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU RECEIVED
ALL THE PAGES.**

Our Company has made available on the Registrar's website at www.linkintime.co.in and our Company's website at www.bhandariexport.com, this Abridged Letter of Offer along with the Rights Entitlement Letter and the Application Form for the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of SEBI, the Stock Exchanges and the Company i.e., at www.sebi.gov.in ; www.bseindia.com ; www.nseindia.com and www.bhandariexport.com respectively.



BHANDARI HOSIERY EXPORTS LIMITED

Corporate Identification Number: L17115PB1993PLC013930

Registered Office: Bhandari House, Village Meharban, Rahon Road, Ludhiana, 141007 Punjab, India

Contact No: 88720-16410 | Contact Person: Mr. Daljeet Singh, Company Secretary and Compliance Officer;

Email-ID: cs@bhandariexport.com | Website: www.bhandariexport.com

OUR PROMOTERS

Mr. Nitin Bhandari, Ms. Nitika Bhandari, Ms. Kusum Bhandari and Mr. Naresh Bhandari

ISSUE DETAILS AND LISTING

ISSUE OF UPTO 169,11,111 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH ('RIGHTS EQUITY SHARES') AT A PRICE OF ₹ 4.50 PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ 3.50 PER RIGHT SHARE) ('ISSUE PRICE') FOR AN AMOUNT UPTO ₹ 761* LAKHS ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BHANDARI HOSIERY EXPORTS LIMITED ('COMPANY' OR 'ISSUER') IN THE RATIO OF 3 (THREE) RIGHTS EQUITY SHARE FOR EVERY 26 (TWENTY SIX) EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, 23rd September, 2023, ('ISSUE'). THE ISSUE PRICE IS 4.5 (FOUR AND A HALF) TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE NO. 178 OF THIS LETTER OF OFFER (LOF).

*Assuming full subscription

PAYMENT SCHEDULE FOR THE ISSUE SHARES

Amount Payable per Issue Share*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	1	3.50	4.50

*For further details on Payment Schedule, please refer to the chapter entitled 'Terms of the Issue' of the Letter of Offer beginning on page 178 of the Letter of Offer.

Our Company has received in-principle approval dated August 25, 2023 from BSE, and dated August 14, 2023 from NSE where the Equity Shares of the Company are listed, for listing of the Issue Shares offered in this Issue. For the purposes of this Issue, the designated stock exchange is BSE.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are currently listed on BSE. Our Company is eligible to offer the Issue Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions. Our Company is undertaking the Issue in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

The objects of the Issue involve contributing in the Capital Expenditure part of the Expansion Program of the Company. Accordingly, the requirement of Minimum Subscription is applicable to the Issue.

Our Promoters have undertaken that they will subscribe to the full extent of their Rights Entitlements and unsubscribed portion of the Rights Issue, if any and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. Any participation by our Promoter and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

INDICATIVE TIMETABLE*

Issue Opening Date	October 3, 2023	Date of Allotment / Initiation of Refunds (on or about)	October 20, 2023
Last Date for On Market Renunciation of the Rights Entitlements **	October 09, 2023	Date of credit of Rights Equity Shares to demat accounts of Allotees (on or about)	October 23, 2023
Issue Closing Date #	October 13, 2023	Date of listing / commencement of trading of Rights Equity Shares on the Stock Exchanges (on or about)	October 26, 2023
Finalisation of basis of Allotment (on or about)	October 19, 2023		

* The above timetable is indicative and does not constitute any obligation on our Company.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

Our Board or the Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time, but not exceeding thirty days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch the Letter of Offer, the Abridged Letter of Offer, the CAF, the Rights Entitlement Letter and any other issue material only to such Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address the Letter of Offer, the Abridged Letter of Offer, CAF, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, CAF, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer, the Abridged Letter of Offer, the CAF shall not be sent the Letter of Offer, the Abridged Letter of Offer and CAF.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address, on a reasonable effort basis.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Issue Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (United States or U.S.) or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S under the Securities Act). The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Issue Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Issue Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” on page 21 of the Letter of Offer before making an investment in this Issue.

Name of Registrar to the Issue and contact details	<p>Link Intime India Private Limited C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083. Tel: +91-8109114949 Email: Bhandariexport.rights@linkintime.co.in Investor grievance email: Bhandariexport.rights@linkintime.co.in Contact Person: Mr. Sumeet Deshpande Website: www.linkintime.com SEBI Registration No.: INR000004058</p>
Name of the Statutory Auditor	<p>M/s. Raj Gupta & Co., Chartered Accountants Address: 271, Maya Nagar, Civil Lines, Ludhiana, Punjab 141001 Tel No: 9815643637 Email: carajguptaco@gmail.com Contact Person: Mr. Sandeep Gupta Membership No.: 0529774 Firm Registration No.: 000203N Peer Review No.: 012527</p>
Self-Certified Syndicate Banks	<p>The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.</p>
Banker to the Issue	<p>State Bank Of India 3rd Floor, Financial Institutions Branch, Mumbai Main Branch Building, N G N Vaidya Marg, Horniman Circle, Fort, Mumbai 400 001 Telephone Number: 022-2271 9117/113 Website: www.sbi.co.in E-mail: nib.11777@sbi.co.in Contact Person: Mr. Priyanshoo Sharma SEBI Registration Number: INBI000000028</p>

SUMMARY OF BUSINESS

Incorporated in year 1993, Bhandari Hosiery Exports Limited, with main objects of manufacturing garments, knitted Fabric and fabric dyeing has been successfully operating its plant at village Meherban, Rahon Road, Ludhiana, Punjab, India. The Company is presently having production facility of Fabric Knitting & Dyeing 20 Tonnes per day (TPD), Fabric Processing capacity of 20 TPD along with Garment manufacturing facility of capacity of 7,000 garments per day in the existing infrastructure comprising of land, building, and Plant and Machinery. The Garments are sold by the Company to demanding reputed domestic and international customers and the turnover of the Company is a mix of domestic and export sales.

OBJECTS OF THE ISSUE

The Company plans to add fresh capacity of Rotary Fabric Printing 5 TPD, Fabric Knitting 5 TPD and Garments stitching 2000 pieces per day ("the Expansion Plan") at total cost of Rs. 2875 lacs. Capital expenditure for implanting the Expansion Plan is part of the table below that displays the complete Project Cost that has been appraised and approved for funding by State Bank of India, Ludhiana.

	Description	Rupee	Rs. equivalent of Foreign Exchange cost	Total
		Rs. Lacs	Rs. lacs	Rs. lacs
I	Land with Site Development	-	-	-
II	Building – Modernization and RCC Construction	780.00	-	780
III	Plant & Machinery			
	Imported Plant & Machinery			
	Imported Machines		1134.40	1134.40
	Duty (Nil) and inland costs till sites	329.00		329.00
	Indigenous Plant & Machinery	125.00		125.00
	Total Plant & Machinery – Cost, delivered at Site	1234.00	1134.40	2368.40
IV	Miscellaneous Fixed Assets - Indigenous	100.00		100.00
V	Preliminary and Preoperative Expenses	110.00		110.00
VI	Contingencies and Escalations	23.88	73.17	97.05
VII	Margin Money for Working Capital (for 1 st year)	200.00		200.00
	Total Cost of Project	1667.88	1207.57	2875.45

*Subject to the finalization of the Basis of Allotment and the Allotment.

Means of Finance:

The Cost of Expansion Plan Project will be funded by Rights Issue, internal accruals and a term loan from State Bank of India as below.

	Means of Financing	Rs. lacs
	Equity Contribution	
	Rights Issue	761.00
	Internal Accruals	200.00
	Unsecured Loans by Promoters (in case of eventual gap, if any)	-
	Term Loans	
	Foreign Currency Loans	-
	Rupee Loans (under ATUFS #) from State Bank of India backed by one time capex FLC of 360 days equal value)	1914.45
	Total	2875.45

Amended Technology Upgradation Fund Scheme administered by the Ministry of Textile, Government of India.

Promoters have undertaken that in case of any cost over-run in the Expansion Plan the same will be undertaken by the Promoters through unsecured loans. Rights Issue expenses will be financed through internal accruals of the Company. The Lending bank has already sanctioned the Term Loan amount of Rs. 1914 lacs and has also approved raising the required funds through Rights Issue of Rs. 761 lacs.

Monitoring Agency: Not Applicable

EQUITY SHAREHOLDING PATTERN

A summary of the equity shareholding pattern of our Company as on June 30, 2023 is set out below:

Category of shareholder	No. of share holders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	8	36553132	36553132	24.95	36553132	24.95	36553132
(B) Public	60073	109973818	109973818	75.05	109973818	75.05	106030468
Grand Total (A) + (B)	60081	146526950	146526950	100.00	146526950	100.00	142583600

The details of the shareholding pattern of our Company as on June 30, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/bhandari-hosiery-exports-ltd/bhandhos/512608/>

BOARD OF DIRECTORS

S. No.	Name	Designation	Age	Other Directorships
1.	Mr. Nitin Bhandari	Chairman and Managing Director	38	Tikani Exports Limited
2.	Mr. Vikas Nair	Non-Executive Director	50	
3.	Mr. Rajesh Kumar	Non-Executive Director	52	
4.	Mr. Surinder Kumar Kapoor	Independent Director	67	
5.	Ms. Alka Gambhir	Independent Director	46	Tikani Exports Limited
6.	Ms. Komal Bhalla	Independent Director	31	Ritesh International Ltd.

For more details, see the chapter titled "Our Management" on page 62 of the Letter of Offer.

NEITHER OUR COMPANY NOR ANY OF OUR DIRECTORS OR PROMOTERS HAVE BEEN CATEGORIZED AS A 'WILFUL DEFAULTER' OR A 'FRAUDULENT BORROWER'

FINANCIAL INFORMATION

FINANCIAL STATEMENT SUMMARY

Following are the details as per the Audited Financial Statements as at and for the Fiscals ended March 31, 2023.
(in lakh except per share data which is in Rs.)

Particular	Fiscal 2023
Revenue from operations	28322.60
Net profit / (Loss) from ordinary activities before tax and exceptional items	789.01
Profit / (Loss) after tax and extraordinary items	641.68
Equity share capital	1465.27
Reserves and Surplus	7247.02
Net worth	8712.29
Basic earnings per share*	0.44
Diluted earnings per share*	0.44

Net asset value per share**	5.95
Return on net worth (RONW)***	7.37%

*Basic and diluted earnings per share: Profit attributable to shareholder / Total number of weighted average number of shares.

**Net asset value per share: Net worth / Number of shares as at the end of the relevant period.

***RONW: Profit of the year / Net worth

For further details, please refer the section titled "Financial Information" on page no. 68 of the Letter of Offer.

INTERNAL RISK FACTORS

Set out below are the top 10 risk factors, as disclosed in the Letter of Offer:

1. Our company has borrowed from Banks in the form of long term loans for capex in our projects and cash credit limits to support our working capital requirements.
2. Our operations are dependent on the supply of raw materials, such as cotton, spun and polyester yarn of different counts and twist and of right 'micronaire' value at a remunerative price. Such raw material is sourced from yarn spinning mills located in Northern and Southern India. Availability of our raw material depends upon availability of Cotton as a crop and any change in global weather patterns may have an adverse effect on the availability of raw materials to our suppliers.
3. Our inability to anticipate, respond to and meet the preferences or consistent quality requirements of our consumers or our inability to accurately predict and successfully adapt to changes in market demand or consumer preference could reduce demand for our products and in turn, impact our sales.
4. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.
5. We derive all our revenue from our Fabrics and Garments business segment and any reduction in demand or in the production of such products could have an adverse effect on our business, results of operations and financial condition.
6. Fluctuation in the exchange rate between the Indian rupee and foreign currencies may have an adverse effect on our business.
7. A slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.
8. Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may render us liable to liabilities amounting to around Rs. 38.18 lacs. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to Civil, Criminal, Tax matters, actions by regulatory/ statutory authorities and matters above the materiality threshold against our Company have been set on page No. 20.
9. We generate a major portion of sales from our operations in certain geographical regions especially Delhi, Haryana, Himachal, Punjab and Tirupur. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.
10. Any major change in the technology may render our current technologies old or require us to make substantial capital investment to cope with the market.

For further details, see the section 'Risk Factors' on page 21 of the Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION

1) Litigation Involving Actions by statutory/Regulatory Authorities

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. lacs)	Amount Unpaid (Rs. In lacs)
Income-tax Laws	Income-tax (other than TDS)	Neither suit is filed, nor amount is paid by the company. But company is contemplating filing rectification application and believe that there are fair chances of success.	A.Y. 2019-20, A.Y. 2018-19, A.Y. 2009-10	5.0	5.00
Income-tax Laws	Income-tax (TDS & TCS)		F.Y. 2021-22, F.Y. 2020-21, F.Y. 2019-20	4.0	4.00

* amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order.

2) LITIGATIONS BY THE COMPANY: Civil proceedings:

- a. Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. - eight criminal complaints filed by us under Section 138 of the Negotiable Instruments Act processed in Ludhiana District Court.
- b. Bhandari Hosiery Exports Ltd. Vs Samar Gulati (proprietor of M/s New Oxygen O2) - two criminal complaints under Section 138 of the Negotiable Instruments Act processed in Ludhiana District Court.
- c. Bhandari Hosiery Exports Ltd. Vs Kanti Gupta & Ors. (proprietor of M/s Ambika Traders, Ludhiana) now against the legal heirs Mr. Johny Gupta and Ms. Sonia Gupta – related to non performance of contractual obligations.

3) LITIGATIONS FILED AGAINST THE COMPANY: Civil proceedings:

- a. CHD Chemicals Limited Vs Bhandari Hosiery Exports Limited. – under Arbitration
- b. Marvel Dyers Vs Bhandari Hosiery Exports Limited. – agitation against alleged wrong deductions made by the Company due to quality issues.

For further details, please see section entitled “Outstanding Litigation and Defaults” on pages 162 of the Letter of Offer.

TERMS OF THE ISSUE

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI – Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled ‘Procedure for Application through the ASBA Process’ on page 192 and 198 of the Letter of Offer.

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer “Procedure for Application through the ASBA Process.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled ‘Procedure for Application through the ASBA Process.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for

such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer “Grounds for Technical Rejection” on page 202 Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘Application on Plain Paper under ASBA process’ on page 191 of the Letter of Offer.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges, to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper

Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, refer Chapter “Terms of the Issue” on page 178.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Bhandari Hosiery Exports Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 4.50 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in

the ASBA Account;

- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company at (www.bhandariexport.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 3 Rights Equity Share(s) for every 26 Equity Share(s) held on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 3 Rights Equity Share(s) for every 26 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (nine) Equity Share(s) or not in the multiple of 9, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds 9 (Nine) Equity Shares, such Shareholder will be entitled to 1 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 9 Equity Shares shall have 'Zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of 1 (One) additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favor of third parties and the application forms shall be non-negotiable.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investor.

OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS. PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE474E20011 subject to requisite approvals.

The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On-Market Renunciation shall take place only during the Renunciation Period for On-Market Renunciation, i.e., September 23, 2023 to October 09, 2023 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN (For Rights Entitlement) and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE474E20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in

“Basis of Allotment” beginning on page 205 of Letter of Offer.

Intention and extent of participation by our Promoters

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company and also to subscribe for any unsubscribed portion of the Rights Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of the SEBI Listing Regulations/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

OTHER INFORMATION

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by October 09, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Availability of offer document of the immediately preceding public issue or rights issue for inspection

A copy of the Prospectus dated 29.09.1994, in respect of the IPO of equity shares of face value of ₹10/- each by our Company is available for inspection on the website of our Company at www.bhandariexport.com until the Issue Closing Date and it is also available for inspection for our material shareholders.

DECLARATION

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued

thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all the disclosures made in the Letter of Offer and the Abridged Letter of Offer are true and correct.

Name	Signature
Nitin Bhandari Chairman and Managing Director	Sd/-
Mr. Vikas Nayar Director	Sd/-
Mr. Surinder Kumar Kapoor Director	Sd/-
Mr. Rajesh Kumar Director	Sd/-
Ms. Alka Gambhir Director	Sd/-
Ms. Komal Bhalla Director	Sd/-
Daljeet Singh Secretary and Compliance Officer	Sd/-
Ms. Misha Malhotra Chief Financial Officer	Sd/-