

Since 1993

# 28<sup>th</sup> Annual Report 2020-21



**Bhandari Hosiery Exports Ltd.**

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S u s t a i n a b l e   I n n o v a t i o n  
D e s i g n • F a b r i c • G a r m e n t s

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## CORPORATE INFORMATION



### **BANKERS**

State Bank of India

IFB Branch, Golden Tower  
Dholewal Chowk, GT Road  
Ludhiana-141003

Union Bank of India (earlier Andhra Bank)  
B-XV-295/B & B-XV-295/ C, Near Oswal  
Street, Millerganj, G T Road,  
Ludhiana-141003

HDFC Bank

Focal Point, Industrial Branch  
Ludhiana-141010

South Indian Bank

Cheema Chowk, Industrial Area A  
Ludhiana-141003

### **INDEPENDENT AUDITORS**

M/S Krishan Goel & Associates. SCO  
17-18B, Gurudwara Shaheedan,  
Pheruman Market, G.T. Road, Opp. Manju  
Cinema, Miller Ganj, GT Road  
Ludhiana-141003 Punjab

### **COMPANY SECRETARY**

Mr. Daljeet Singh

### **KEY MANAGERIAL PERSONNEL**

Mr. Nitin Bhandari- Mg. Director  
Mr. Manoj Kumar- Chief Financial Officer  
Mr. Daljeet Singh- Company Secretary

### **REGISTERED OFFICE & WORKS**

**BHANDARI HOSIERY EXPORTS LTD.**

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

Punjab INDIA

Phones-+91 88720-16410

Fax: +91-161-2890394

Email: bhandari@bhandariexport.com

CIN : L17115PB1993PLC013930

### **INDEPENDENT DIRECTORS**

Mr. Surinder K. Kapoor (Appointed w.e.f.  
01.06.2019)

Mrs. Geetika Bhalla (Appointed w.e.f.  
18.08.2020)

Mr. Kunal Verma (Appointed w.e.f.  
09.11.2020)

### **WEBSITE**

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

### **ISIN**

INE474E01029

LISTING: BSE, NSE

### **REGISTERAR AND SHARE TRANSFER**

#### **AGENTS**

M/S Link Intime India Pvt Ltd.,  
Noble Heights, 1st Floor, Plot NH 2, C-1  
Block LSC, Near Savitri Market,  
Janakpuri, New Delhi - 110058  
EMAIL: DELHI@LINKINTIME.CO.IN,  
PHONES: 011- 41410592-94



## BHANDARI HOSIERY AT A GLANCE

|  |   |
|--|---|
| Fully Integrated Business Model            | Design > Fabrics > Garments   |
| Fabrics Division                           | 15 tons Per Day Fabric Dyeing Capacity open width and tubular width.  |
| Garments Division                          | In-house Garments Division for exports and domestic sales.            |
| Lowest Utility Consumption In The Industry | Lowest water, steam and power consumption due to modernized machinery |
| Specialized Fabrics                        | Viscose, Lycra, Cotton and Blends                                     |
| Fit For Fast Changing Fashion World        | Fast delivery turnaround time   |

## BUSINESS VERTICALS - FABRICS & GARMENTS

### PRODUCTS PROFILE

---

#### FABRICS

- **Circular Knitted Fabrics**

- Natural
- Synthetic

- **Open & Tubular width Fabrics**

- **Specialised Finishes**

- Teflon
- Stain resistance
- Viscose
- Lycra

#### GARMENTS

- **Women's Wear**

- Tees
- Leggings

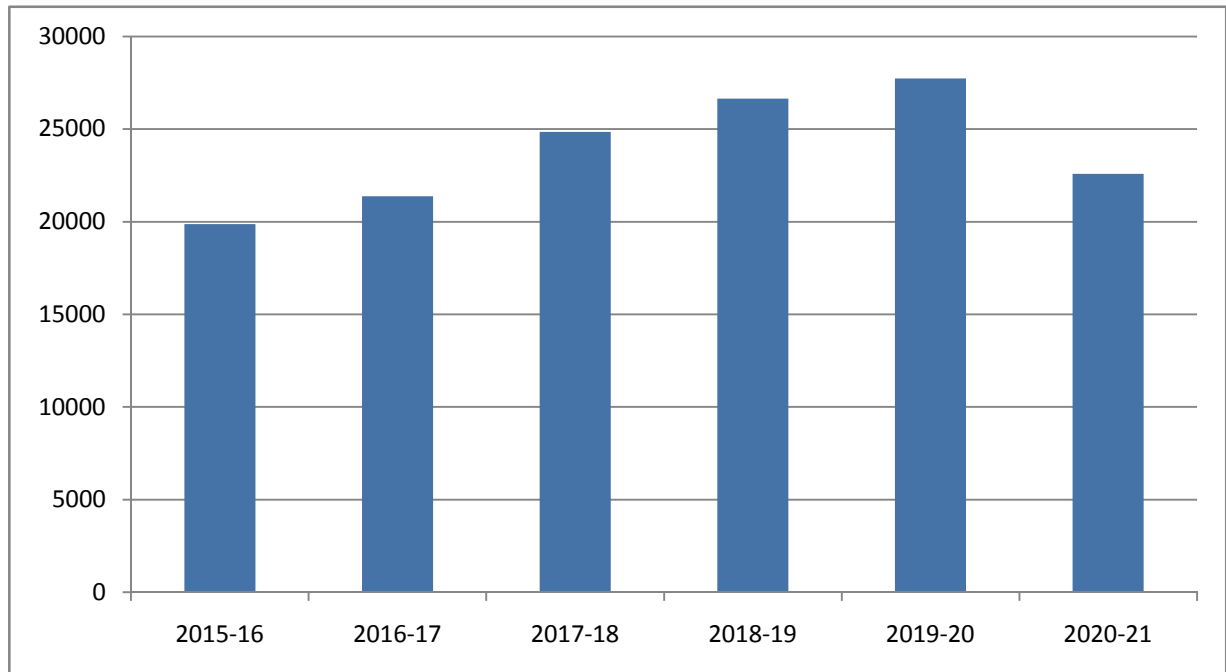
- **Men's Wear**

- T-shirts
- Sweat Shirts
- Pullovers
- Polo

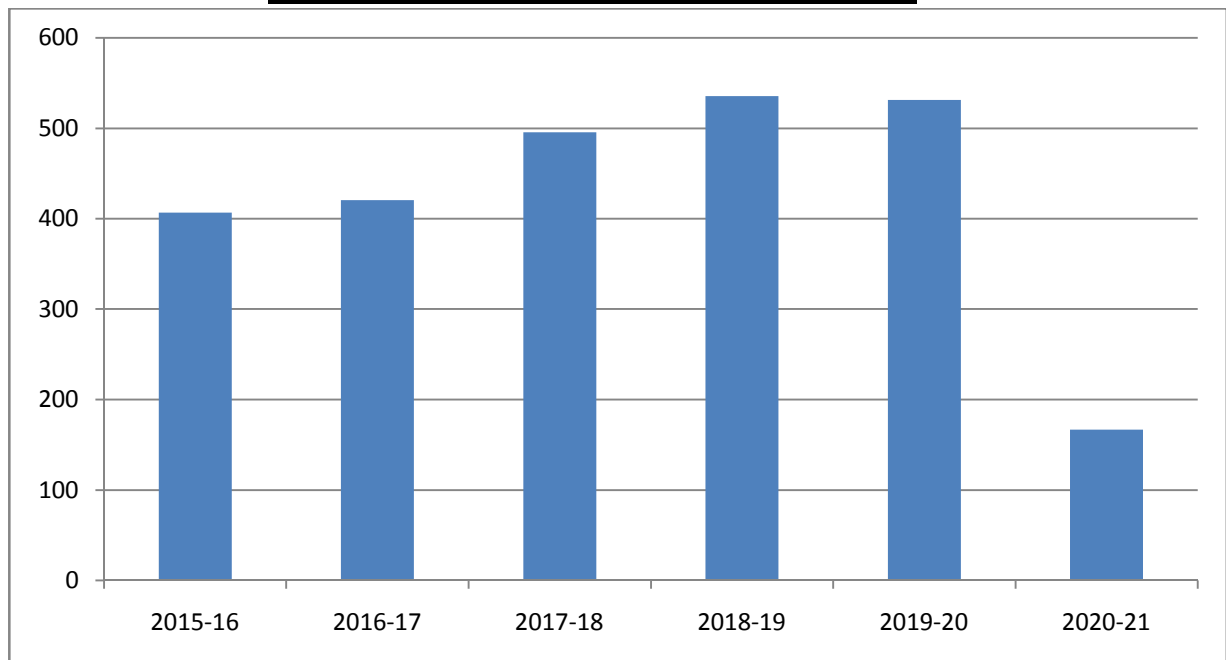
- **Kids Wear**

## **FINANCIAL PERFORMANCE**

### **TURNOVER IN LAKHS RUPEES**



### **PROFIT AFTER TAX IN LAKHS RUPEES**





Bhandari Hosiery Exports Ltd.  
Sustainable Innovation  
Design • Fabric • Garments

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

## IMPORTED KNITTING MACHINERIES



## HIGH CAPACITY AND HIGH QUALITY DYEING UNIT

## FINISHING UNIT



## GARMENTING UNIT



Bhandari Hosiery Exports Ltd.  
Sustainable Innovation  
Design • Fabric • Garments

## **BOARD OF DIRECTORS**



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



**MR. VIKAS NAYAR**  
**(NON-EXECUTIVE DIRECTOR)**  
**DIN: 0071047**



**MR. SURINDER KUMAR KAPOOR**  
**(INDEPENDENT DIRECTOR)**  
**DIN: 08442523**



**MR. RAJESH KUMAR**  
**(NON-EXECUTIVE DIRECTOR)**  
**DIN: 05160964**



**MRS. GEETIKA BHALLA**  
**(INDEPENDENT/ WOMEN DIRECTOR)**  
**DIN: 08805488**  
**(APPOINTED W.E.F. 18.08.2020)**



**MR. KUNAL VERMA**  
**(INDEPENDENT DIRECTOR)**  
**DIN: 08918691**  
**(APPOINTED W.E.F. 09.11.2020)**



## **CHAIRMAN & MG. DIRECTOR'S MESSAGE**

**Dear Shareholders,**

I have great pleasure in presenting the Twenty Eighth Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021. The year 2020-21 has been challenging time with lower GDP growth. The novel Corona virus has affected the smooth running business over the entire world.

In terms of business the lockdown in various nations has affected the business and growth during the first and fourth quarter. The Indian Textile & Apparel Industry has maintained a stable trend during the year 2020-21 but the export numbers were hit due to unprecedented lockdowns in various parts of the world.



During the year 2020-21, your Company was able to achieve turnover of Rs. 22606.49 Lacs as against Rs. 27753.50 Lacs in the previous year, showing a decrease of 18.54% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2021 has been at Rs. 166.89 Lacs as against Rs. 531.18 Lacs in the previous year showing the decrease in profit of 68.58% in comparison to the previous year.

The COVID-19 scenario has certainly put a halt on our plan and we could not get full utilization of our expansion. It is also very hard to predict the coming financial year due to heavy impact of COVID-19. We aim to survive in this financial year & come out fighting from this scenario. Your company took significant steps to take required precautions suggested by government SOPs. Further when vaccination came extraordinary efforts was taken by management to get vaccinated its employees as per guidelines of state and centre government.

When it comes to the current global scenario with respect to apparel manufacturing, it is advantage to India. With sanctions enforced and trade war with China the US market is becoming favorable and more opportunistic to Indian Textile Sector. Due to such events business of US Inc. is being shifted to the India during the year. We continue to monitor these developments with respect to our risks and opportunities.

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

The second wave of COVID-19 also affected every segment of business in entire country. During that period first priority of our company was health of its employees and other stakeholders connected with company. With the help and co-operations of all, we go through that phase positively and continue our work with required precautions at our unit.

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

**Warm Regards**

**Sd/-**

**Nitin Bhandari**  
**Chairman & Mg. Director**



Bhandari Hosiery Exports Ltd.  
Sustainable Innovation  
Design • Fabric • Garments

## BHANDARI HOSIERY EXPORTS LIMITED

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

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

Web: [www.bhandariexport.com](http://www.bhandariexport.com); Corporate Identification No.: L17115PB1993PLC013930

### NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Thursday, the 30<sup>th</sup> day of September, 2021 at 9.30 A.M. at the Registered Office of the Company at Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 to transact the following business:-

#### ORDINARY BUSINESS:

**1. Adoption of accounts**

To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Auditors and Directors thereon.

**2. Consider of dividend**

To consider declaration of dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2021.

**3. Re-appointment of Mr. Rajesh Kumar**

To appoint a Director in place of Sh. Rajesh Kumar (DIN 05160964), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

**4. Appointment of Statutory Auditors**

To ratify the appointment of Statutory Auditors and fix their remuneration and in this regards to consider and if thought fit, to pass the following resolutions as Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142(1) of the Companies Act, 2013, read with rules made there under, the appointment of M/s Krishan Goel & Associates, Chartered Accountant, Ludhiana (FRN 009607N) approved in the 24<sup>th</sup> Annual General Meeting to hold office till the conclusion of 29<sup>th</sup> Annual General Meeting (subject to ratification of appointment by the members at every AGM), be and is hereby ratified in this Annual General Meeting till the conclusion of next Annual General Meeting, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.”

#### SPECIAL BUSINESS:

**5. To Consider and if though fit, to pass the following Resolution as Ordinary Resolution:-**

**Appointment of Mr. Kunal Verma as a Non-Executive Independent director.**

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150 and 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Kunal Verma (holding DIN 08918691), who was appointed as the Additional Director of the Company with effect from 09<sup>th</sup> November, 2020 under Section 161 of the Companies Act, 2013 who is eligible for appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company for a term of three year w.e.f. 09<sup>th</sup> November, 2020 to 08<sup>th</sup> November, 2023 and whose office shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.

**By Order of the Board of Directors  
For Bhandari Hosiery Exports Limited**

Place: Ludhiana  
Dated: 14.08.2021

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



### **NOTES**

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED IT SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A statement giving relevant details of the directors seeking appointment/re-appointment under Items No. 3 and 5 of the accompanying notice, as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed herewith.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 24<sup>th</sup> September, 2021 to Thursday 30<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting of the Company and payment of dividend, if any, for both physical and electronic segments.
6. Final Dividend of @1% i.e. Rs.0.01 per equity share of Rs. 1/- each has been recommended by the Board of Directors, subject to the approval of the shareholders at the ensuing Annual General Meeting. Subject to the provisions of Companies Act, 2013 dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within 30 days of the declaration of same to those Members whose names appear on the Register of Members as on 23<sup>rd</sup> September, 2021.
7. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Company has transferred all amounts of unclaimed dividend declared for the Financial Year 2006-07 to "The Investors Education and Protection Fund" established by the Central Government, during year 2014-15. There were no other amounts of unpaid dividends pending for transfer to such Fund in the year 2015-16 and 2016-17. Further after year 2006-07, the Company has declared the dividends for the year 2014-15 @1% i.e. Rs. 0.1/- per equity share of the face value of Rs. 10/- each, then for the year 2015-16 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year 2016-17 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year 2017-18 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year 2018-19 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each and for the year 2019-20 again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each. Dividends that remain unclaimed/unpaid for a period of seven (7) years from the date on which they were declared, are required to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders/Investors who have not encashed their Dividend Warrants if any, for year 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 are requested to lodge their claims by quoting their respective Folio No./DP Client ID with Company.
10. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. The Company has entered into agreements with CDSL and NSDL to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL and NSDL.

12. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to the at the Registered Office of the Company at least 10 days prior to date of Annual General Meeting.
13. The Register of Directors' Shareholdings maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto Annual General Meeting and will be open for inspection during the Annual General Meeting also.
14. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be provided.
15. Notice of the AGM along with Annual Report 2020-21 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.
16. In view of the circular issued by SEBI, the Electronic clearing Services (ECS/NECS) facility should be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company and its Registrar and Share Transfer Agents. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Any changes in such bank mandate must be advised only to the Depository Participant of the Members.
17. Electronic copy of the Annual Report for 2020-21 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2020-21 is being sent in the permitted mode.
18. The holding shares in physical form are requested to:
  - (a) Quote their folio number/Client ID & DP-ID in all correspondence with the company.
  - (b) Notify immediately to the company any change in their address/mandate, if any.
  - (c) Register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.
19. The Company declares that its equity shares are listed on the BSE Ltd. (BSE), and National Stock Exchange of India Ltd. (NSE) Mumbai. The Company has paid the annual listing fee upto year 2021-22 to the above stock exchanges.
20. Members are requested to furnish their Bank Account details, change of address, e-mail address etc. to the Company's Registrar and Transfer Agents viz M/S Link Intime India Pvt Ltd., Noble Heights, 1<sup>st</sup> Floor, Plot No-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi -110058, Email: [Delhi@Linkintime.co.in](mailto:Delhi@Linkintime.co.in), Phones: 011-41410592-94, FAX: 011- 41410591, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.
21. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend and vote at the meeting.
22. The route map of the venue of Annual General Meeting forms part of this Notice and is published elsewhere in the Annual Report of the Company.
23. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for year 2020-21 will also be available on the Company's website [www.bhandariexport.com](http://www.bhandariexport.com) for their download. The

physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ludhiana for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@bhandariexport.com.

#### **24. Voting for transaction of Business/Voting Through Electronic Means**

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

(A) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, the Company is pleased to provide members facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

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

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

(D) The remote e-voting period commences on Monday, September 27, 2021 (9.00 a.m. IST) and ends on Wednesday, September 29, 2021 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form and in dematerialized form, as on the cut-off date (record date) i.e. Thursday, September 23, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(E) Any person, who acquires shares and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. September 23, 2021, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [cs@bhandariexport.com](mailto:cs@bhandariexport.com). However, if a person is already registered with CDSL for e-voting then existing user ID and password can be used for casting the vote.

(F) Mr. Rajeev Bhambri & Associates, Practicing Company Secretary (C.P. No. 9491), Ludhiana, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(G) The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting will not later than 48 hours of conclusion of the meeting make a consolidated scrutinizer's report and submit to the Chairman of the Company. The results declared alongwith the consolidated scrutinizer's report shall be uploaded on the Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com) and [www.evotingindia.com](http://www.evotingindia.com). The results simultaneously will be communicated to the BSE Ltd and NSE.

(H) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 30<sup>th</sup> September, 2021.

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

The instructions for shareholders voting electronically are as under:

(i) The remote e-voting period commences on Monday, September 27, 2021 (9.00 a.m. IST) and ends on Wednesday, September 29, 2021 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form and in dematerialized form, as on the cut-off date (record date) i.e. Thursday, September 23, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(ii) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/ P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility

Pursuant to above said SEBI Circular, Login method for e-voting for Individual shareholders holding securities in demat mode CDSL/NSDL is given below:

| Type of Shareholders  | Login Method   |
|---|--|
| Individual Shareholders Holding securities in demat mode with <b>CDSL</b> | <p>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/">https://web.cdslindia.com/myeasi/home/</a> login or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders Holding securities in Demat mode with <b>NSDL</b> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your</p>   |

|   |  |
|---|--|
|   | User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

|  |  |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30       |

(i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

2) Click on “Shareholders” module.

3) Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

6) If you are a first time user follow the steps given below:

|          | <b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>  |
|----------|--|
| PAN      | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul> |
| DOB      | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend | Enter the Dividend Bank Details as recorded in your demat account or in the company records for  |

|              |   |
|--------------|---|
| Bank Details | <p>the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.</li> </ul> |
|--------------|---|

(ii) After entering these details appropriately, click on “SUBMIT” tab.

(iii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(v) Click on the EVSN (210824063) for the relevant BHANADRI HOSIERY EXPORTS LIMITED on which you choose to vote.

(vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(viii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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

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

Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. Them-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as corporate module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to



helpdesk.evoting@cdslindia.com

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the
- Scrutinizer and to the Company at the email address viz cs@bhandariexport.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders: please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders: please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders: Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic All grievances connected with the facility for voting by electronic (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

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

The Board of Directors, pursuant to the provisions of Section 161 of the Act and applicable rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 appointed Mr. Kunal Verma (DIN 08918691) as an Additional Director in the capacity of an Independent Director holding office upto the date of the Annual General Meeting. The Company has received notice from a member proposing the candidature of Mr. Kunal Verma as Independent Directors of the Company.

The Nomination & Remuneration Committee has recommended and the Board has approved the appointment of Mr.Kunal Verma as Additional Independent Directors as per their letters of appointment for a period of three years from 09<sup>th</sup> November, 2020.

Mr. Kunal Verma, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Kunal Verma fulfill the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Kunal Verma as Independent Directors is now being placed before the Members for their approval. All the relevant documents, contracts, the terms and conditions of the appointment of Mr. Kunal Verma as Independent Directors of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 1:00 pm on all working day, (Monday to Friday) except Saturdays, Sundays and holidays upto the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting.

Kindly refer the report on Corporate Governance for information in respect of appointment of Mr. Kunal Verma, pursuant to the Secretarial Standard on General Meetings.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Kunal Verma is qualified professional, young and energetic individual. He is entrepreneur and having good knowledge of day to day business operations.

Except the appointee Mr. Kunal Verma none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Resolution as set out as Item no. 5 the Notice.

**By Order of the Board of Directors  
For Bhandari Hosiery Exports Limited**

Place: Ludhiana  
Dated: 14.08.2021

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

**ANNEXURE TO ITEM NO 3 & 5 OF THE NOTICE**

| <b>Information pursuant to regulation 36 of The SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 regarding the directors seeking appointments/ Re-appointments in the Annual General Meeting.</b> |   |  |
|---|---|--|
| <b>Name of Director</b>   | Mr. Rajesh Kumar  | Mr. Kunal Verma  |
| <b>Category</b>   | Non Executive Director  | Non Executive Independent Director   |
| <b>Date of Birth</b>  | 20.02.1971  | 17.11.1997   |
| <b>DIN</b>  | 05160964  | 08918691   |
| <b>Terms and conditions of appointment or re-appointment</b>  | Re-appointment due to retires by rotation. No remuneration is being proposed/ sought to be paid on re-appointment.                      | Appointment as Non Executive Independent Director as recommended by Nomination and Remuneration Committee.       |
| <b>Date of first appointment in the board of directors</b>  | 17.03.2020  | 09.11.2020   |
| <b>Qualification</b>  | PGDMIR  | Graduation   |
| <b>Shareholding in the company</b>  | Nil   | Nil  |
| <b>Relationship with other Directors of The Company</b>   | Nil   | Nil  |
| <b>Directorship/Chairmanship in other Public Companies</b>  | Nil   | Nil  |
| <b>Directorship of Private Companies/Partnerships/LLP</b>   | Nil   | Nil  |
| <b>Membership/Chairmanship of Committees of Board of Other Companies</b>  | Nil   | Nil  |
| <b>Expertise</b>  | HR & Management. Having more than 30 years of experience in the field of HR and other compliances of The Factories Act and Labour Laws. | Mr. Kunal Verma a qualified person, an entrepreneur and having good knowledge of day to day business operations. |
| <b>Number of Meetings of The Board attended during the year and other Directorships</b>   | Refer Corporate Governance Report forming part of Annual Report   | Refer Corporate Governance Report forming part of Annual Report.   |
| <b>Details of Remuneration</b>  | Nil   | Nil  |

Place: Ludhiana  
Dated: 14.08.2021

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

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**WE WOULD LIKE TO DRAW SHAREHOLDER'S KIND ATTENTION TO THE FOLLOWING URGENT MATTERS, WHICH REQUIRE THEIR IMMEDIATE ACTION**

**PROCEDURE FOR THOSE SHAREHOLDERS, WHOSE EMAIL ADDRESSES AND/OR BANK DETAILS/MANDATE ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORYES.**

We urge members to support the Green Initiative of the Government of India (GOI) by choosing to receive the communication from the Company through email. So, in case you wish to register/update your address, Email id or Bank Mandate\* etc, you can do the same:

**Physical holding:** Please send a duly signed request letter by the shareholder(s), to the Registrar & Share Transfer Agent of the Company, M/s. Link Intime India Pvt Ltd. (Unit: Bhandari Hosiery Exports Limited), Noble Heights, 1<sup>st</sup> Floor, Plot No-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi -110058, providing Folio No, Name of the shareholder and self- attested copy of PAN & AADHAR card, for registering the e-mail address. Following additional details & documents need to be provided for updating Bank Account details\*:

- a) Name and branch of the Bank in which you wish to receive the dividend\*.
- b) Bank account type.
- c) Bank account number allotted by your Bank, after implementation of Core Banking solutions.
- d) Nine Digit MICR Code Number.
- e) Eleven digit IFSC Code and
- f) A scanned copy of cancelled cheque bearing the name of the first shareholder (if name is not printed, bank attested copy of the first page of pass book showing name of account holder)

**Demat holding:** Please contact your Depository Participant (DP) and register your e-mail address and/ or Bank account details\*, in your demat account, as per the process advised by your DP.

\*Please note that, 1% dividend proposed to be declared in the 28<sup>th</sup> AGM of the Company, however, in order to receive any future dividend directly in your bank account; kindly register/update your bank account details with the Company.

**DEMATERIALISATION OF SHARES**

The SEBI vide its circular no. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that w.e.f. April 1, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In light of same shareholders are requested to kindly convert their physical shares in Demat form to avoid hassle in transfer of shares.

**CONSOLIDATION OF MULTIPLE FOLIOS**

The members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates alongwith the self-attested copy of PAN card and Aadhar card to the Registrars and Share Transfer Agent (RTA) of the Company, to enable them to consolidate all such multiple folios into one single folio.

### PERMANENT ACCOUNT NUMBER (PAN)

The SEBI has mandated submission of Permanent Account Number [PAN] by every participant in the Securities Market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participants. Members holding shares in physical form are required to submit their PAN details to RTA.

### UNCLAIMED DIVIDEND AND SHARES

The members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA at the address: , M/s. Link Intime India Pvt Ltd. (Unit: Bhandari Hosiery Exports Limited), Noble Heights, 1<sup>st</sup> Floor, Plot No-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi -110058, [www.linkintime.co.in](http://www.linkintime.co.in) or with the Company Secretary, at the Company's registered office. The members are requested to note that, dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). The Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules. Therefore, it is in the interest of Shareholders to regularly claim dividend declared by the Company. All the details related to unclaimed dividend and IEPF transfers etc, are updated from time to time on website of the Company i.e. [www.bhandariexport.com](http://www.bhandariexport.com). The Shareholders may note that, even upon transfer of unpaid dividend and corresponding shares to the IEPF, they can claim said shares alongwith dividend(s) from IEPF for which detailed procedure and requirements are available at [www.iepf.gov.in](http://www.iepf.gov.in).

### DIVIDEND & TDS RELATED INFORMATION

Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final Dividend will be paid after deducting the tax at source as follows:

#### Resident Shareholder:

| Particulars  | Applicable Rate            | Documents required (if any)  |
|--|----------------------------|--|
| With PAN   | 10%*                       | Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents- Link Intime India Private Limited (in case of shares held in physical mode). |
| Without PAN/ Invalid PAN   | 20%                        | --   |
| Submitting Form 15G/Form 15H   | NIL                        | Declaration in Form No. 15G (applicable to any person other than a company or a firm) /Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. The Forms are attached herewith.   |
| Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)               | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from tax authority  |
| An Insurance Company as specified under Sec 194 of the Income Tax Act, 1961)       | NIL                        | Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested PAN.   |
| Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961 | NIL                        | Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate.   |

Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2021-22 does not exceed Rs. 5,000.

**Non-Resident Shareholder:**

| Particulars   | Applicable Rate   | Documents required (if any)  |
|---|---|--|
| Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) | 20% (plus applicable surcharge and cess)  | None   |
| Other Non-resident shareholders   | 20% (plus applicable surcharge and cess)<br>OR Tax Treaty Rate** (whichever is lower) | Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents- Link Intime India Private Limited (in case of shares held in physical mode).<br><br>In order to apply the Tax Treaty rate, ALL the following documents would be required:<br>1) Copy of Indian Tax Identification number (PAN).<br>2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident.<br>3) Form 10F duly filled and signed (Format attached herewith).<br>4) Self-declaration from Non-resident, primarily covering the following:<br>- Non-resident is eligible to claim the benefit of respective tax treaty<br>- Non-resident receiving the dividend income is the beneficial owner of such income<br>- Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. (Format attached herewith). |
| Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)  | Rate provided in the Order  | Lower/NIL withholding tax certificate obtained from tax authority.   |

\*\* The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.

The aforesaid documents (formats as updated on Company website/available with RTA), as applicable, should be provided to the Company or RTA i.e. Link Intime India Private Limited on their Mail-ID i.e. cs@bhandariexport.com and/or delhi@linintime.co.in on or before 22<sup>nd</sup> September 2021 to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post 22<sup>nd</sup> September 2021 shall be considered for payment of the Final Dividend. It is advisable to provide the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

No claim shall lie against the Company for such taxes deducted. The Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

## DIRECTORS' REPORT

To  
The Members,  
**BHANDARI HOSIERY EXPORTS LIMITED**

Your Directors are pleased to present the 28<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

### **FINANCIAL RESULTS**

As mandated by the Ministry of Corporate Affairs, your company has prepared the financial statement (standalone) for the year ended March 31, 2021 as per Indian Accounting Standard ('IND AS') notified under Sec 133 of the Companies Act, 2013 read with notification no. G.S.R. 111(E) dated 16.02.2015 as amended from time to time.

|  | <b>(Rs. in Lacs)</b> |                |
|--|----------------------|----------------|
| <b>PARTICULARS</b>   | <b>2020-21</b>       | <b>2019-20</b> |
| Total Income   | 22,606.49            | 27,753.51      |
| Gross Profit before interest depreciation and tax  | 1825.82              | 2150.24        |
| Less: Financial expenses   | 1073.81              | 1022.61        |
| Less: Depreciation and preliminary exp. written off  | 539.78               | 501.44         |
| PROFIT BEFORE TAX  | 212.23               | 626.18         |
| Less: Provision for tax  | (45.34)              | (95.00)        |
| PROFIT AFTER TAX   | 166.89               | 531.18         |
| Add: Balance brought forward   | 4077.75              | 3564.25        |
| Less : Previous Years amounts transferred  | 0.00                 | 0.00           |
| Amount available for appropriation(s)  | 4244.64              | 4095.44        |
| Appropriation:   |                      |                |
| -Proposed Dividend on Equity shares @ Rs. 0.01/- per Equity Share (i.e. 1%) (Refer Note (i) below )  | 14.65                | 14.65          |
| -Tax on Proposed Dividend  | --                   | 2.98           |
| Balance carried to Balance Sheet   | 4229.99              | 4077.76        |
| Note: (i) Proposed Dividend on Equity Share  |                      |                |
| Proposed Dividend for the year ended 31 <sup>st</sup> March, 2019 @ Rs. 0.01/- per Equity Share (i.e. 1%)  | 14.65                | 14.65          |
| Dividend Distribution Tax on proposed dividend   | --                   | 2.983          |
| "The Board of Directors of the Company has proposed final dividend of Rs. @ Rs. 0.01/- per Equity Share (i.e. 1%), which is subject to the approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Indian Accounting Standard – 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016), proposed dividend for the year and Corporate Dividend Tax thereon has not been recognized as a distribution of profit in the current year's accounts." |                      |                |

### **PERFORMANCE REVIEW**

During the year 2020-21, your Company was able to achieve turnover of Rs. 22606.49 Lacs as against Rs. 27753.21 Lacs in the previous year, showing a decrease of 18.54% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2021 has been at Rs. 166.89 Lacs as against Rs. 531.18 Lacs in the previous year showing the decrease in profit of 68.58% in comparison to the previous year.

## **EXPORTS**

The Exports of the Company during the financial year were to the tune Rs 972.84 Lacs as against Rs. 1377.91 Lacs in the previous year, showing the a decrease of 29.39 % over the previous year.

## **SHARE CAPITAL**

The issued and paid up Equity Share Capital of the Company as on March 31, 2021 was Rs. 14,65,26,950/- comprising 14,65,26,950 fully paid Equity shares of Rs. 1/- each. During the year under review, the Company has not issued any equity shares/ shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares. There were no additions/reductions during the financial year 2020-21, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back, conversions etc. or any other changes.

## **DIVIDEND**

Your directors are pleased to recommend the dividend of 1% i.e. Rs. 0.01/- per Share of face value Rs. 1/- for the year 2020-21, (Previous year 2019-20 @ 1% i.e. Rs. 0.01/- per share of face value of Rs. 1/- each.) subject to the approval of the shareholders at the ensuing Annual General Meeting. The Final Dividend, if declared, shall be distributed to the members within 30 days from the AGM.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. However, your company has been classified by the stock exchanges as small cap and hence this regulation does not apply to the Company.

## **ABOUT COVID-19 LOCKDOWN**

The COVID -19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of office and factory following nationwide lockdown by the Government of India. In the Last month of Financial Year 2019-20 the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdown of all economic activity. For the Company, the focus has immediately shifted to ensuring the health and well being of all employees, and on minimizing disruptions to services for all our customers globally. Regular production was suspended in the month of April and sometime in May, the Company produced Personal Protective Equipment (PPE) kits and masks during this time. Consequent to withdrawal of lockdown in phased manner, the company resumed operations with proactive planning and limited workforce at office and factory following proper health & safety guidelines in place. We are adhering to workplace safety guidelines issued by government to prevent the spread of such pandemic.

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

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. 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, then for the year **2015-16** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year **2016-17** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year **2017-18** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year **2018-19** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each and then for the year **2019-20** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each. Dividends that remain unclaimed/unpaid for a period of seven (7) years from the date on which they were declared, are required to be transferred to the Investor Education and Protection Fund.

## **TRANSFER TO RESERVES**

The Company proposes to transfer amount to the general reserves of the Company.

(INR Lacs)

| Particulars                                      | Amount  |
|--|---------|
| Net Profit for the year                          | 166.89  |
| Balance of Reserves at the beginning of the year | 4077.75 |
| Share Premium Reserves                           | 1559.75 |
| General Reserves                                 | 288.05  |
| Less: Appropriation of Profits                   | 14.65   |
| Balance of Reserves at the end of the Year       | 6077.79 |

### **CORPORATE GOVERNANCE REPORT**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **CAPITAL EXPENDITURE AND EXPANSION**

As at 31<sup>st</sup> March, 2021 the gross fixed assets stood at Rs. 95.59 Cr. and net fixed assets Rs. 62.04 Cr. The Company also undertook implementation of UF Plant with a view to save water and made industry more environments friendly. The capital expenditure in the said expansion and modernization amounted to Rs. 2.20 Cr. during the financial year 2020-21.

### **FINANCE**

Fresh debt of Rs. 17.91 crores was sanctioned by our bankers under GECL 2.0 scheme of RBI to help industry financially due to COVID-19 pandemic, out of which Rs. 10.22 crores were availed by company during financial year 2020-21. The Cash Credit Limits were availed to the extent of Rs. 73 Crores during Financial year 2020-21. The Company continues to key focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

### **DIRECTORS AND KMPs**

#### **(i) Appointments**

There were fresh/additional appointments to Board of Directors, during the financial year 2020-21, appointment of Mrs. Geetika Bhalla as Independent Non-Executive Women Director of the Company w.e.f. 18<sup>th</sup> August, 2020, the appointment was approved by the Shareholders in the 27<sup>th</sup> Annual General Meeting of the Company held on 28.09.2020.

Mr. Kunal Verma has also been appointed by the Board as Additional Non executive Independent Director of the Company w.e.f. 09.11.2020 subject to the approval of the Shareholders in the General Meeting.

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

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajesh Kumar, Director, retires by rotation and is eligible for reappointment.

#### **(iii) Resignations**

There was no resignation of director during the financial year 2020-21.

**(iv) Re-appointment**

Mr. Rajesh Kumar will retire at the ensuing Annual General Meeting and being eligible, seek reappointment.

**(v) Declarations by Independent Directors**

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

**(vi) Board Evaluation**

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

Further, a Separate Meeting of the Independent Directors of the Company was held once during the year on 09.11.2020 and 13.02.2021 which also reviewed the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

**(vii) Nomination & Remuneration Policy**

On the recommendation of the Nomination & Remuneration Committee, the board has already framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. Salient feature of Nomination and Remuneration Policy are annexed herewith as Annexure A.

**(viii) Board Meetings**

During the year, 5 Board Meetings and 5 Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013.

**(ix) Key Managerial Personnel**

During the year 2020-21, the Company had three Key Managerial Personnel viz. Mr. Nitin Bhandari, Chairman & Managing Director, Mr. Manoj Kumar, Chief Financial Officer and Mr. Daljeet Singh, Company Secretary.

(During the financial year Mr. Arpit Jain, Company Secretary and Compliance Officer resigned w.e.f. 01.10.2020 and Mr. Daljeet Singh appointed as Company Secretary and Compliance Officer w.e.f 09.11.2020)

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not directly or indirectly –

- a) given any loan to any person or other body corporate other than usual advances envisaged for supply of materials if any,
- b) given any guarantee or provided security in connection with a loan to any other body corporate or person and



c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate. The details of loans from Banks/FIs/ Directors, as required are given in Financial Statements and Notes thereto.

### **DEPOSITS**

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

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

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

### **RELATED PARTY TRANSACTIONS**

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

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

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

### **STATUTORY AUDITORS**

M/s Krishan Goel & Associates, Chartered Accountants, Statutory Auditors of the Company, had been appointed as the Statutory Auditors of the Company in the 24<sup>th</sup> Annual General Meeting to hold office until the conclusion of 29<sup>th</sup> Annual General Meeting subject to ratification of their appointment in every Annual General Meeting. The Shareholders at the ensuing General Meeting will consider ratification of the appointment of the Statutory Auditor. The Auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. There are no qualifications or reservation or remarks made by the Auditors in their Report.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Rajeev Bhambri & Associates, Company Secretaries, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of

the Company. Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as Annexure - B to this report.

The Secretarial Auditors' in their report and in Annual Secretarial Compliance Report (Under Regulation 24A of SEBI LODR Regulations, 2015) for year ended 31<sup>st</sup> March 2021 and secretarial audit report for year ended 31<sup>st</sup> March, 2021 marked observation for deviation for Regulation 17(1), Regulation 18 and Regulation 19 of SEBI (LODR) Regulations, 2015 related to the composition of board of directors, total no. of directors as member of Audit Committee and total no. of directors as member of Nomination and Remuneration Committee from 15.02.2020 to 18.08.2020 and non appointment of compliance officer as company secretary from 01.10.2020 to 09.11.2020.

The Board Members made an extensive search to finalise a suitable person as an Independent Director. The non compliance in connection to Regulation 17(1) and Regulation 18 and Regulation 19 was complied with appointment of Mr. Kunal Verma and Mrs. Geetika Bhalla on 09.11.2020 and 18.08.2020 respectively. The BSE had levied fine of Rs. 11,90,000/- (plus 18% GST) and Rs. 1,95,000/- (plus 18% GST) for which company has filed waiver application with BSE. The NSE had levied fine of Rs. 12,52,000/- (plus 18% GST) and Rs. 1,95,000/- (plus 18% GST) for which company has filed waiver application with NSE. Both the stock exchanges have not intimated its decision on the subject yet, till the date of the Director's Report 2021.

The Board has re-appointed M/s Rajeev Bhambri & Associates, Company Secretaries, Ludhiana as Secretarial Auditor of the Company for Financial Year 2021-22.

#### **COST AUDITORS**

No Cost Auditor was appointed during the financial year as there is no statutory requirement imposed for mandatorily according to the size and nature of the business.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2021 AND DATE OF THE REPORT.**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of the Report.

#### **AUDITORS' REPORT**

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

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

The Company has in accordance with the applicable provisions of the Companies Act, 2013, appointed M/s Rajeev Bhambri & Associates, Practicing Company Secretary (C.P. No. 9491), Ludhiana Secretarial Auditors. The Company has appointed M/s Vipan Kumar & Associates, Chartered Accountants, (Membership No. 081198, Firm Registration No. 007245N) as the Internal Auditors.

#### **LISTING OF SECURITIES**

At present, the securities of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the Listing Fees to the BSE and NSE upto the financial year 2021-22.

#### **INDUSTRIAL RELATIONS**

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

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

Considering gender equality, the Company has zero tolerance for sexual harassment at workplace. The Company has an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

| Sr. No. | Category                                      | No. of complaints during financial year 2020-21  | No. of complaints pending as at end of year 2020-21 |
|---------|---|--|---|
| 1.      | Child labour/forced labour/involuntary labour | The Company does not hire Child Labour, Forced Labour or Involuntary Labour.<br>No case reported | Not Applicable                                      |
| 2.      | Sexual Harassment                             | No case reported   | Not applicable                                      |
| 3.      | Discriminatory employment                     | No case reported   | Not applicable                                      |

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

As per the Audited Financial Statements of the Company for the year 2020-21, 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. So in accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the Said Act and further read Companies (Corporate Social Responsibility) Rules, 2014, “Corporate Social Responsibility Committee” had been constituted w.e.f. 28.05.2016 consisting of following persons as Members/ Chairman:

| Sr. No. | Name of The Director                             | Designation |
|---------|--|-------------|
| 1.      | Mr. Nitin Bhandari (Chairman & Mg. Director)     | Chairman    |
| 2.      | Mr. Vikas Nayar (Director)                       | Member      |
| 3.      | Mr Surinder Kumar Kapoor (Independent Director)* | Member      |

During the year 2020-21, the Company had identified certain projects/activities on which the CSR expenditure for the financial year 2020-21 was made. The activities included promoting health care including preventive health care, improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects, facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups, animal welfare etc. Details about the CSR policy and initiatives taken by the Company during the year are available on your company’s website [www.bhandariexport.com](http://www.bhandariexport.com). The Report on CSR activities is given in **Annexure-E** forming part of this Report.

### **CERTIFICATIONS**

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

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

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

good corporate practices. The company would be able to get the confidence of EU based customers by ensuring good social compliance.

#### **GOTS CERTIFICATION**

Bhandari Hosiery Exports Limited is certified for compliance to GOTS, the worldwide leading textile processing standard for organic fibers, including ecological and social criteria, backed up by independent certification. It ensures organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labeling in order to provide a credible assurance to the end consumer. This certification enables Bhandari Hosiery Exports Limited to supply certified organic garments to customers worldwide.

#### **SUBSIDIARY COMPANY/ASSOCIATE COMPANY/JOINT VENTURE**

There is no Subsidiary /Associate Company of the Company.

#### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as of 31<sup>st</sup> March 2021 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014 and forming part of the report is placed at the website of the Company as per provisions of Section 134 [3][a] of the Companies Act, 2013.

#### **GRATUITY**

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

#### **PARTICULARS OF THE EMPLOYEES**

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

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

The Company has designed and implemented a process driven framework for Internal Financial Controls. For the year ended on March 31, 2021, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were tested and no material weakness in their operating effectiveness was observed. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

#### **CAUTIONARY STATEMENT**

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

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable Indian accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2021 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

#### **ACKNOWLEDGEMENTS**

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

**By Order of the Board of Directors  
For Bhandari Hosiery Exports Limited**

**Place: Ludhiana  
Dated: 14.08.2021**

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



**ANNEXURE A TO THE DIRECTORS REPORT**  
**SALIENT FEATURES OF THE NOMINATION AND REMUNERATION POLICY**  
**[as Per Proviso To Section 178(4) Of The Companies Act, 2013]**

**APPLICABILITY**

This Policy is applicable to:

- a. Directors (Executive, Non-Executive and Independent)
- b. Key Managerial Personnel (KMP)
- c. Senior Management Personnel
- d. Other employees as may be decided by the Committee ("NRC")

**OBJECTIVE**

The Policy provides criteria for:

1. Determining qualifications, positive attributes and independence of a Director;
2. Performance evaluation of Independent Directors, non-independent Directors, Chairman and the Board;
3. Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees, as may be decided by the Committee;

**PROVISIONS RELATING TO REMUNERATION OF MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

The following are the guiding factors:

- The scope of duties, the role and nature of responsibilities;
- The level of skill, knowledge, experience, local factors and expectations of individual;
- The Company's performance, long term strategy and availability of resources;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully; and
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark;

**PROVISIONS RELATING TO REMUNERATION OF NON-EXECUTIVE/INDEPENDENT DIRECTOR(S)**

The following are the guiding factors:

- The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and as decided by the Board from time to time.
- The Non-Executive/ Independent Director(s) may also receive remuneration / compensation / commission etc as per criteria/limit thereof prescribed under Companies Act, 2013 and rules made thereunder
- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders', as may be applicable

**EVALUATION**

The evaluation will be done on following parameters:

1. Role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
2. Attendance and contribution at Board and Committee meetings;
3. Subject expertise, skills, behavior, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;
4. Ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders
5. Vision on Corporate Governance and Corporate Social Responsibility

6. Ability to create a performance culture that drives value creation and a high quality of discussions;
  7. Effective decision making ability to respond positively and constructively to implement the same to encourage more transparency;
  8. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity;
  9. Contribution to enhance overall brand image of the Company
- 

## **“ANNEXURE-B” TO THE DIRECTORS’ REPORT”**

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021 [Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021(‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:

- All Labour & industrial laws;
- The Competition Act, 2012;
- All environmental laws;
- Textiles (Consumer Protection) Regulations, 1988;
- Textiles (Development and Regulation) Order, 2001;
- Textiles Committee Act, 1963;
- Additional Duties of Excise (Textiles and Textiles Articles) Act, 1978.
- Indian Boilers Act, 1923

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

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

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

1. The company has not complied with the provisions with respect to the total number of Independent Directors as members of Audit Committee from 15.02.2020 till 18.08.2020.
2. The company has not complied with the provisions of regulation 18 with respect to the total number of Directors as members of Audit Committee from 15.02.2020 till 30.06.2020.
3. The company has not complied with the provisions of regulation 19 with respect to the total number of Independent Directors as members of Nomination & Remuneration Committee from 15.02.2020 till 18.08.2020.
4. The company had not appointed the Compliance Officer as Company Secretary from 01.10.2020 till 09.11.2020 as required under the provisions of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except as follows:

1. The company has not complied with the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the composition of the Board in terms of the total number of Directors from 15.02.2020 09.11.2020.



2. The company has not complied with the provisions with respect to the total number of Independent Directors from 15.02.2020 till 09.11.2020.
3. The company has not complied with the provisions with respect to appointment of woman director from 15.02.2020 till 18.08.2020.

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

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

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

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**Rajeev Bhambri & Associates**  
**Company Secretary in whole time practice**  
**C.P. No. 9491**  
**UDIN: F004327C000772149**

**Dated: 12.08.2021**

**Place: Ludhiana**

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

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**'ANNEXURE'**

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

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

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

or effectiveness with which the management has conducted the affairs of the company.

**Place: Ludhiana**  
**Dated: 12.08.2021**

**Rajeev Bhambri & Associates**  
**Company Secretary in whole time practice**  
**C.P. No. 9491**

## **“ANNEXURE -C” TO BOARD’S REPORT**

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

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

| <b>Name</b>  | <b>Remuneration in Fiscal 2021 (Amt. in lakhs)</b> | <b>% Change in remuneration from previous year</b> | <b>Ratio</b> |
|--|--|--|--------------|
| Mr. Nitin Bhandari (Chairman & Managing Director)                        | 44.00  | 41.02  | 18.7:1       |
| Other Directors (Non Executive and Independents) (Only Sitting Fee paid) | N.A.   | N.A.   | N.A.         |
| Mr. Arpit Jain (Company Secretary) (Resigned w.e.f. 01.10.2020)          | 2.23   | *  | --           |
| Mr. Daljeet Singh (appointed w.e.f. 09.11.2020)                          | 2.09   | **   | --           |
| Mr. Manoj Kumar (CFO)  | 5.37   | (7.76)   | 2.28:1       |

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

\*Arpit Jain resigned as company secretary during the year so there is no comparison from previous year.

\*\* Daljeet Singh joined as company Secretary during the year so no comparison from previous year.

**2** Percentage increase/(decrease) in the median remuneration of employees in the financial year: (2.62%).

**3** The number of permanent employees on the rolls of company: 386

**4** Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

No increase in average percentage was made in the salaries of employees other than the managerial personnel in the last financial year. There was no increase in remuneration of KMP during the financial year 2020-21 due to covid-19 except salary of Mr. Nitin Bhandari, Chairman and Managing Director. During the year 2020-21, your Company was able to achieve turnover of Rs. 22606.49 Lacs as against Rs. 27753.21 Lacs in the previous year, showing a decrease of 18.54% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2021 has been at Rs. 166.89 Lacs as against Rs. 531.18 Lacs in the previous year showing the decrease in profit of 68.58% in comparison to the previous year. Average increase in remuneration for employees other than

Managerial Personnel is in line with the industry peers and is also outcome of market competitiveness.

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

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

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

| Sr. No. | Name of Employee   | Designation                                     | Gross Remuneration Paid (Rs.) | Nature of Employment | Qualification | Age | Exp. | Date of Commencement | Last Employment                 | % of Equity Shares |
|---------|--------------------|---|-------------------------------|----------------------|---------------|-----|------|----------------------|---------------------------------|--------------------|
| 1       | Nitin Bhandari*    | Mg. Director                                    | 4400000                       | Permanent            | MBA, LONDON   | 38  | 15   | 23.11.2009           | -                               | 17.18              |
| 2       | Aditi Bhandari**   | Vice President-Marketing                        | 1140000                       | Permanent            | MBA           | 38  | 15   | 28.09.2011           | -                               | NIL                |
| 3       | Kusum Bhandari***  | Chief Merchandiser                              | 756710                        | Permanent            | BA            | 71  | 36   | 27.09.2002           | -                               | 1.73               |
| 4       | Himanshu Sharma    | Fabric Dyeing & Processing                      | 1175843                       | Permanent            | BA            | 35  | 17   | 04.02.2015           | Richa Industries Ltd.           | NIL                |
| 5       | Bodh Raj           | Engineer  | 413075                        | Permanent            | ITI           | 50  | 31   | 10.06.2013           | Oswal Apparels Pvt. Limited     | NIL                |
| 6       | Ajay Sharma        | Exports Section Head                            | 426588                        | Permanent            | B.COM         | 36  | 14   | 15.07.2016           | Eastman Caste and forge Limited | NIL                |
| 7       | Manoj Kumar        | CFO   | 537670                        | Permanent            | B.COM         | 45  | 22   | 05.09.2013           | Deepak Builders                 | NIL                |
| 8       | Vinod Kumar        | Marketing Manager                               | 432773                        | Permanent            | B.SC          | 43  | 19   | 01.06.2017           | K.D EXPORTS                     | NIL                |
| 9       | Virender Chaudhary | Fabric Division Head                            | 845807                        | Permanent            | SR. SEC.      | 48  | 28   | 01.07.2010           | Jain Udhay Fabrics Ltd.         | NIL                |
| 10      | Absar Alam         | Q.C. Deptt                                      | 624345                        | Permanent            | BA(ENG)       | 46  | 16   | 11.06.2018           | MONTE CARLO                     | NIL                |
| 11.     | Arpit Jain         | Company Secretary (resigned w.e.f 01.10.2020)   | 223124                        | Permanent            | B.Com, CS     | 29  | 5    | 23.04.2018           | LWS Knitwear Limited            | NIL                |
| 12.     | Daljeet Singh      | Company Secretary (appointed w.e.f. 09.11.2020) | 204976                        | Permanent            | B. Com, CS    | 30  | 5    | 09.11.2020           | Asianlakt Industries Limited    | NIL                |

### **Relationship with Directors**

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

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

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

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

(ii) None of the employee who were employed throughout the financial year 2020-21, was in receipt of remuneration for that year which in the aggregate, was not less than one crore and two lakh rupees;

(iii) None of the employee employed for a part of the financial year 2020-21, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month ;

(iv) None of the employee employed throughout the financial year 2020-21 or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager.

**By Order of the Board of Directors  
For Bhandari Hosiery Exports Limited**

**Place: Ludhiana  
Dated: 14.08.2021**

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

## **ANNEXURE- D" TO BOARD'S REPORT STATEMENT**

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

#### **1 CONSERVATION OF ENERGY**

(a) Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.

(b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.

(c) Various on-going measures for conservation of energy include

(i) use of energy efficient lighting and better use of natural lighting,

(ii) reduction of energy loss, and

(iii) replacement of outdated energy intensive equipment.

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. The Company has given due attention towards conservation of energy. It not only reduces the cost of production but also helps in conservation of natural resources which are depleting very fast.

The Company is constantly looking for savings of energy and trying to conserve energy continuously by modifications or trying alternate means and continuously upgrading technology and work practices. Steps are being taken to conserve energy on a continuous basis. Besides continuing the measures taken in earlier years, following steps were taken during the year 2019-20 with a view to reduce the cost of energy and consequently the cost of production.

Conservation measures taken, proposed measures being implemented for reduction of consumption of energy and consequent impact thereof for the year 2019-20:

| Measures taken   | Saving amount<br>(Rs. In Lacs) | Energy Savings<br>2020-21<br>(Units in Lacs) |
|--|--------------------------------|--|
| <ul style="list-style-type: none"> <li>Installation of energy efficient light fittings.</li> <li>Replacement of old &amp; re-wound motors with Energy Efficient Motors</li> <li>Replacement of de-rated &amp; defective Capacitors,</li> <li>Optimizing Power Factor</li> <li>Optimizing Water usage in dyeing and reducing load on ETP and power usage.</li> <li>Use of inverters and AC Drives in Unit.</li> </ul> | 9.40                           | 1.28   |

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

| 1   | ELECTRICITY                                |         | 2020-21    | 2019-20       |
|-----|--|---------|------------|---------------|
| a   | PURCHASED UNITS                            |         | 3,710,337  | 3,490,982     |
|     | Total Amount                               |         | 27,270.980 | 25,505,115    |
|     | Rate per unit                              |         | 7.35       | 7.30          |
| b   | OWN GENERATION THROUGH DIESEL GENERATOR(S) |         |            |               |
|     | Units produced                             | KWH     | 262028     | 254500        |
|     | Unit per liter of Diesel                   | KWH     | 2.62       | 2.61          |
|     | Total Diesel consumed                      | LTR     | 99960      | 97088         |
|     | Diesel cost                                | Rs      | 7150153    | 7892510       |
|     | Cost per unit of KWH                       | Rs/ Kwh |            | 31.01         |
| 2   | COAL                                       |         | Nil        | Nil           |
| 3   | FURNANCE OIL                               |         | Nil        | Nil           |
| 4   | OTHER INTERNAL GENERATION                  |         | Nil        | Nil           |
| 5 a | HUSK FOR STEAM                             | Rs.     | 26,540,408 | 37,707,096.05 |
| b   | HUSK FOR STEAM Kg                          | KG.     | 7,626,554  | 8,350,144     |
|     | Rate Per Kg                                |         | 3.48       | 4.52          |
| 6 a | DIESEL FOR STEAM (Ltrs)                    |         | 386000     | 375000        |
| b   | Rate per Ltr (Rs.)                         |         | 73.71      | 65.77         |
|     | <b>Consumption / unit production</b>       |         |            |               |
|     | Production of garments (Pieces)            |         | Nil        | Nil           |
|     | Electricity Consumed                       | Kwh/pc  | Nil        | Nil           |
|     | Husk Consumed                              | Kg/pc   | Nil        | Nil           |

## 2 RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

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

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

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

## 2. Benefits Derived

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

## 3. Future Plan of Action

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

## 4. Expenditure on R & D

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

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

## BENEFITS DERIVED

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

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

**Activities relating to export, initiatives taken to increase exports, development of new export market for products and services and export plans are given hereunder:**

- The sale of more environment friendly products has increased.
- The Company has explored new markets and buyers and is going good with recently obtained buyers.
- Targeting growth in the next financial year.

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. There have been concentrated efforts to maintain and improve exports performance and to meet the need of end users.

The Management has laid continuous thrust for exploring new markets and as a result, the Company was also able find some new foreign customers. The position of Foreign Exchange earnings and Outgo for the financial year 2020-21 is as under:

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

| Sr. No. | Particulars   | 2020-21 | 2019-20 |
|---------|---|---------|---------|
| a.      | Foreign Exchange Earnings (FOB value of Exports, commission earned)               | 972.84  | 1377.91 |
| b.      | Foreign Exchange Outgo (CIF value of Imports and expenditure in foreign currency) | 16.81   | 55.25   |

**For and on behalf of the Board of Directors  
Bhandari Hosiery exports Limited**

**Sd/-**

**(Nitin Bhandari)**

**Chairman & Managing Director**

**Place: Ludhiana**

**Date: 14.08.2021**

## **“ANNEXURE- E” TO BOARD’S REPORT STATEMENT**

### **CORPORATE SOCIAL RESPONSIBILITY**

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

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

- i. The objective of the company is to contribute to the education, social, health related, economic development of the communities, animal welfare and sports so as to promote sustained growth for the society and community and in particulars take up the activities as included in Schedule VII of the Companies Act, 2013.
- ii. The CSR Committee will facilitate the Annual CSR action plan containing the clear terms of reference outlining the key tasks, duration of assignment, allocation of budget for different projects, method of implementation and review. The CSR budget shall be according to Companies Act, 2013.
- iii. Money unutilized, if any, in the previous year will be carried forward and included in the budget for the next year. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- iv. Project activities identified under CSR are to be implemented by agencies, which would include-Voluntary Organizations (VOs) formal or informal Elected local bodies such as Panchayats, Instituites/Academics Institutions, Trusts, Hospitals, Self Help Groups, Govt./Semi Govt./Autonomous Organizations, Mahila Mandals, Professional Consultancy Organizations etc.
- v. The Corporate Social Responsibility activities undertaken by the Company will be monitored by the Corporate Social Responsibility Committee duly constituted by the Board. The committee will be responsible to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

During the year 2020-21, the Company had identified certain projects/activities on which the CSR expenditure for the financial year 2020-21 was made. The activities included promoting health care including preventive health care, facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups, animal welfare etc.

**2. Composition of The Corporate Social Responsibility (CSR) Committee:**

| <b>Sr. No.</b> | <b>Name of The Director</b>                      | <b>Designation</b> |
|----------------|--|--------------------|
| 1              | Mr. Nitin Bhandari (Chairman & Mg. Director)     | Chairman           |
| 2              | Mr. Surinder Kumar Kapoor (Independent Director) | Member             |
| 3              | Mr. Vikas Nayar (Director)                       | Member             |

**3. Average net profit of the company for last three financial years (Figures in lacs) : Rs. 616.35 Lakhs**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

(Two per cent of Rs. 616.35 Lakhs): Rs. 12.32 Lakhs

Unspent amount from previous year: Rs 00.00 Lakhs

The Company is required to spend Rs. 12.32 Lakhs towards CSR.

**5. Details of CSR spent during the financial year.**

(a) Total amount spent for the financial year; Rs. 12.33 Lakhs

(b) Amount unspent, if any ; Rs 0.00 Lakhs

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



| Sr. No. | CSR project or activity identified  | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or program s wise (Rs. In Lakhs) | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) (Rs. In Lakhs) | Cumulative expenditure upto to the reporting period (Rs. In Lakhs) | Amount spent: Direct or through implementing agency* |
|---------|---|--|---|---|---|--|--|
| 1       | Skill development projects, Education of Children (Construction & Establishment for Florence Nightingale Educational Society) | Education                              | Delhi   | 12.33   | 12.33   | 12.33  | Florence Nightingale Educational Society             |

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

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

Place: Ludhiana.  
Date: 14.08.2021

Sd/-  
**Nitin Bhandari**  
(Chairman-CSR Committee)  
Managing Director  
DIN: 01385065

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

The overall profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to the unfavourable economic and market conditions prevailing throughout the year in all the business segments on account of disruptions caused by the COVID-19 pandemic and the lockdown pursuant to Govt.'s directives to prevent spread of pandemic. In Textiles it was affected due to weak domestic market conditions throughout the year, and in Paper realizations dropped due to subdued international market conditions. Working and operational parameters at all the plants of the Company were satisfactory during the year.

The Indian Textile Industry is one of the leading textile industries in the world. The textiles and apparels sector is a major contributor to the Indian economy in terms of gross domestic product (GDP), industrial production and the country's total export earnings. Indian Textile market contracted in the FY 21 by around 30% and India's export decreased by around 15%. Apparel formal wear and semi formal wear got more hit than casual wear/lounge wear or home furnishings/made ups since Work-From- Home became a new normal. Though 2020-21 was a challenging year for the textile industry, it has been a learning year and taught us to conduct the business in a different manner. On positive note there have been lot of developments undertaken, including different product mix, introducing several health and hygiene products and exploring new business channels. Even during these torrid times, the business has managed the working capital well.

The cotton yarns and fabrics constitute for about 23 percent of India's Textile and Apparel Exports. India has been able to face the global economic downturn better than most other countries. India's textile industry has a pervasive effect on its economic life. The Indian textile industry uses a large and diverse range of fibres and yarn, however, cotton is its major input material. Therefore, cotton availability and prices are a major determinant of production efficiency and profitability of textile units. Though the global economy seems to be coming out of the crisis, recovery may be unsteady for a while. The Continuous improvement and investment in weaving and processing will help to meet the demand of quality textiles, which will give an edge to the Indian textile industry over competitors. Upgrading technology and infrastructure is an ongoing process and, with the added support of Government bodies it should boost the Indian textile further.

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

As regards Indian economy, the Indian economy GDP contracted by 7.3% in 2020-21 and has been majorly affected by the COVID-19 pandemic which has affected all over the world economy. During the last quarter of 2020-21 Indian economy showing positive signs and grew by 1.6%. The pandemic has undoubtedly affected India, but with the right economic stimulus and the gradual opening up of the lockdown the situation can be expected to improve.

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

gradation Fund Scheme (TUFS) and other such schemes.

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

### **CONCERNS AND THREATS**

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

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

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

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

### **OPPORTUNITIES**

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

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

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

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

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

As expected, some customers in USA and Europe have started shifting textile business from China to India, Bangladesh, Vietnam, etc. Further brands focus has changed to sustainable product lines which can satisfy fashion needs also. We are preparing ourselves to take the advantage of both these changing trends.

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

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

During the year under review, the business and economic environment in India and other emerging countries remained challenging. The year witnessed the event of COVID-19 Pandemic which has affected the business severely and has also impacted the Consumer demand.

The markets your Company serves are undergoing a massive disruption due to the outbreak of COVID-19. The situation caused by the COVID-19 pandemic continues to evolve and the effects on such markets remain uncertain. The outlook going forward will depend, in addition to other factors, on how COVID-19 continues to affect the global economy.

Global market outlook is still not clear because of the new strain of Corona virus, world-wide. Vaccination drive has started and there is hope to cover most of the population by 2nd quarter across the globe. Our Product mix are more focused on sustainability having innovative finishes and accordingly we are ready to cater to the market, once domestic and international markets reopens in full swing.

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

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

| (Rs. in Lacs)  |           |           |
|--|-----------|-----------|
| PARTICULARS  | 2020-21   | 2019-20   |
| Total Income   | 22,606.49 | 27,753.51 |
| GROSS PROFIT before interest depreciation and tax  | 1825.82   | 2150.24   |
| Less: Financial expenses   | 1073.81   | 1022.61   |
| Less: Depreciation and preliminary exp. written off  | 539.78    | 501.44    |
| PROFIT BEFORE TAX  | 212.23    | 626.18    |
| Less: Provision for tax  | (45.34)   | (95.00)   |
| PROFIT AFTER TAX   | 166.89    | 531.18    |
| Add: Balance brought forward   | 4077.75   | 3564.25   |
| Less : Previous Years amounts transferred  | 0.00      | 0.00      |
| Amount available for appropriation(s)  | 4244.64   | 4095.44   |
| Appropriation:   |           |           |
| -Proposed Dividend on Equity shares @ Rs. 0.01/- per Equity Share (i.e. 1%)<br>(Refer Note (i) below ) | 14.65     | 14.65     |



|  |         |         |
|--|---------|---------|
| -Tax on Proposed Dividend  | --      | 2.98    |
| Balance carried to Balance Sheet   | 4229.99 | 4077.76 |
| Note: (i) Proposed Dividend on Equity Share  |         |         |
| Proposed Dividend for the year ended 31 <sup>st</sup> March, 2019 @ Rs. 0.01/- per Equity Share (i.e. 1%)  | 14.65   | 14.65   |
| Dividend Distribution Tax on proposed dividend   | --      | 2.983   |
| “The Board of Directors of the Company has proposed final dividend of Rs. @ Rs. 0.01/- per Equity Share (i.e. 1%), which is subject to the approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Indian Accounting Standard – ‘Contingencies and Events occurring after the Balance Sheet Date’ (effective from 01.04.2016), proposed dividend for the year and Corporate Dividend Tax thereon has not been recognized as a distribution of profit in the current year’s accounts.” |         |         |

## TURNOVER AND PROFITS

Despite challenging global and Indian scenario among the COVID -19 Pandemic, the Company recorded decrease in its turnover as well as in profit after taxes. During the year 2020-21, your Company was able to achieve turnover of Rs. 22606.49 Lacs as against Rs. 27753.21 Lacs in the previous year, showing a decrease of 18.54% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2021 has been at Rs. 166.89 Lacs as against Rs. 531.18 Lacs in the previous year showing the decrease in profit of 68.58% in comparison to the previous year. The Exports of the Company for the financial year ended 31<sup>st</sup> March, 2021 were Rs. 972.84 Lacs as against Rs. 1377.91 Lacs in the previous year, showing decrease from the previous year.

## KEY FINANCIAL RATIOS

|  | UNIT  | YEAR ENDED<br>31.03.2021 | YEAR ENDED<br>31.03.2020 | % CHANGE |
|--|-------|--------------------------|--------------------------|----------|
| Debt Equity Ratio                        | Times | 1.43                     | 1.42                     | 07.04    |
| Current Ratio                            | "     | 1.62                     | 1.45                     | 08.52    |
| Receivables Outstanding in Days to Sales | Days  | 80                       | 62                       | 29.03    |
| Inventory in days to Cost of goods sold  | "     | 130                      | 101                      | 28.71    |
| Interest Coverage Ratio                  | Times | 1.73                     | 2.20                     | -21.36   |
| Operating Profit Margin                  | %     | 5.68                     | 5.94                     | -4.37    |
| Net Profit Margin                        | %     | 0.73                     | 1.19                     | -38.65   |

### d. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

2021, the Company had 386 employees on rolls.

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

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

#### **RISKS AND THREATS**

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

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

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

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

The Indian Textile industry is expected to get momentum in the coming times. The Company is committed to increase its productivity and bring overall modernization in the manufacturing process. The Company also undertook implementation of RO/ZLD Plant with a view to save water and make industry more environment friendly. The Company is also considering manufacture of allied products in the textile sector.

#### **h. SUBSIDIARY**

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

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

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

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

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



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

## CORPORATE GOVERNANCE REPORT

**(In Terms of Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V to the said regulations)**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations"). Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence.

### 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 the sustainable growth and enhances the long term value for all stakeholders. The Company always endeavors to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it imperative to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate behaviors. The Company always strives to improve the 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 stakeholder's value in the long run. To create a culture of good governance, constitution of Board Committees as a part of the Internal Control System, fair representation of non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Company has complied with norms of Corporate Governance as required under the SEBI (LODR) Regulations, 2015. The Company understands that compliances of applicable legislations and timely disclosures enhance the image of the Company as a good corporate citizen in the Country.

### 2. BOARD OF DIRECTORS

(i) **COMPOSITION:** At present, the Board of Directors of the Company consists of 6 Directors. One is Executive Chairman & Mg. Director. Three are Independent Director and Two Non-Executive Directors. The Composition of the Board is as per stipulated requirements. The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the Company. The Board meetings are pre-scheduled and are circulated to the Directors well in advance to facilitate the Directors to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The Circular resolutions are noted at the subsequent Board Meeting.

(ii) **BOARD MEETINGS:** During the Financial Year 2020-21, the Board met 5 times on 30.06.2020, 18.08.2020, 11.09.2020, 09.11.2020 and 13.02.2021. Following is the Composition of the Board Attendance and other memberships of the Directors of the Company:

| Name of Director | Designation | Category | No. of Board Meetings attended | Attendance at the Last AGM | No. of Chairmanship/ Membership on the Board of Other public Company | No. of Chairmanship/ Membership on the Committees of other public Company | Remarks |
|------------------|-------------|----------|--------------------------------|----------------------------|--|---|---------|
|                  |             |          |                                |                            |  |   |         |



|                           |                         |                                    |   |     |     |     |  |
|---------------------------|-------------------------|------------------------------------|---|-----|-----|-----|--|
| Mr. Nitin Bhandari        | Chairman & Mg. Director | Promoter Director                  | 5 | Yes | NIL | NIL |  |
| Mr. Vikas Nayyar          | Director                | Non-Executive Director             | 5 | Yes | NIL | NIL |  |
| Mr. Rajesh Kumar          | Director                | Non-Executive Director             | 5 | Yes | NIL | NIL |  |
| Mr. Surinder Kumar Kapoor | Director                | Non-Executive Independent Director | 5 | Yes | NIL | NIL |  |
| Mrs. Geetika Bhalla       | Director                | Non-Executive Independent Director | 4 | Yes | NIL | NIL |  |
| Mr. Kunal Verma           | Director                | Non-Executive Independent Director | 2 | NA  | NIL | NIL |  |

**Brief Profile of Directors:**

| NAME OF DIRECTOR  | MRS. GEETIKA BHALLA (INDEPENDENT DIRECTOR) | MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR)                                  | MR. VIKAS NAYAR (NON-EXECUTIVE DIRECTOR) | MR. SURINDER KUMAR KAPOOR (INDEPENDENT DIRECTOR) | MR. RAJESH KUMAR (NON-EXECUTIVE DIRECTOR)                                      | MR. KUNAL VERMA (INDEPENDENT DIRECTOR) |
|---|--|---|--|--|--|--|
| <b>DIN</b>  | 08805488                                   | 01385065  | 00071047                                 | 08442523   | 05160964   | 08918691                               |
| <b>DATE OF BIRTH</b>  | 29.12.1982                                 | 24.0.1983   | 11.10.1973                               | 26.04.1956                                       | 20.02.1971   | 17.11.1997                             |
| <b>DATE OF APPOINTMENT</b>  | 18.08.2020                                 | 23.11.2009  | 29.10.2004                               | 01.06.2019                                       | 17.03.2020   | 09.11.2020                             |
| <b>QUALIFICATION</b>  | MA (Marketing)                             | MBA in Entrepreneurial Management from European Business School, London, U.K. | Graduation                               | B.Sc and CAIIB                                   | PGDMIR (Post Graduate Diploma in Personal Management and Industrial Relations) | Graduation                             |
| <b>SHAREHOLDING IN THE COMPANY</b>  | NIL  | 25178300 (17.18%)   | NIL                                      | NIL  | NIL  | NIL                                    |
| <b>RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY</b>                   | NIL  | NIL   | NIL                                      | NIL  | NIL  | NIL                                    |
| <b>DIRECTORSHIP/ CHAIRMANSHIP IN OTHER PUBLIC COMPANIES</b>               | NONE                                       | NONE  | NONE                                     | NONE   | NONE   | NONE                                   |
| <b>MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES</b> | NIL  | NIL   | NIL                                      | NIL  | NIL  | NIL                                    |



|                  |   |  |   |   |   |   |
|------------------|---|--|---|---|---|---|
| <b>EXPERTISE</b> | <p>Mrs. Geetika Bhalla aged 39 years has done her MBA in marketing. She has vast experience of 15 years in the field of marketing and finance. Also she has work experience in field of industrial relations and human resource management.</p> | <p>Mr. Nitin Bhandari aged 36 years has done Master of Business Administration 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 &amp; wastage control etc.</p> | <p>Mr. Vikas Nayyar has the exposure and experience of around 20 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.</p> | <p>Mr. Surinder Kumar Kapoor aged 64 years and being retired government officer has rich experience of 39 years. He had been active Manager and worked in the State bank of India for about 39 years on different levels and position. He has worked as AGM for 11 Years in SBI, DGM for 3 years and has been Inspection and Regional Head for many years all over India. Mr. Surinder Kumar Kapoor has great expertise in Credit Management and HR over so many years.</p> | <p>Mr. Rajesh Kumar aged 50 Years has a rich experience in HR industry. He is Post graduate with Diploma in Personal Management and Industrial Relations (PGDMIR). He has more than 27 years of experience in HR Management and Time Keeping. He is also the head of HR Department of Bhandari Hosiery Exports Limited and served as HR executive in various other Companies also. Mr. Rajesh Kumar is currently not serving as Director in any other Company. His valuable interactive and management skill shall be of value for the management of the Company.</p> | <p>Mr. Kunal Verma a qualified person, an entrepreneur and having good knowledge of day to day business operations.</p> |
|------------------|---|--|---|---|---|---|

#### 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 judgment, 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 09.11.2020 and 14.02.2020 inter alia, to discuss:

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

## **FAMILIARISATION PROGRAMME FOR DIRECTORS**

Your company follows a structured familiarization programme through various reports and internal policies for all the Directors with a view to update them on the Company's policies on a regular basis. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman cum Managing Director and CEO on the Company's manufacturing, marketing, finance and other important aspects. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made thereunder and Agreement/Regulation 25 of the Listing Regulations, 2015. The details of the Familiarization Programmes for Independent Directors are made available on Company's website i.e. [www.bhandariexport.com](http://www.bhandariexport.com). The evaluation process for the financial year 2020-21 has been completed.

### **CODE OF CONDUCT:**

The Board of Directors of the Company has 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, 2021 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, 2021. A declaration to that effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

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

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

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. During the Financial Year 2020-21 The Audit Committee consisted of 3 directors as under:

- |                              |   |   |
|------------------------------|---|---|
| 1. Mr. Surinder Kumar Kapoor | - | Chairman (Non-Executive and independent Director) |
| 2. Mrs. Geetika Bhalla       | - | Member (Non-Executive and independent Director )* |
| 3. Mr. 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, 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 Company Secretary of the Company is Secretary of this Committee and is the Compliance Officer of the Company. During the year 2020-21, the Stakeholders Relationship Committee met 5 times on 30.06.2020, 18.08.2020, 11.09.2020, 09.11.2020 and 13.02.2021 which were attended by all the Members respectively.

\*Mrs. Geetika Bhalla appointed w.e.f. 18.08.2020.

Note: Mr. Rajesh Kumar was appointed as interim member of Audit Committee after the resignation of Mrs. Vibha Sharma w.e.f. 17.03.2020. Further in the board meeting held on 18.08.2020 Audit Committee was re-constituted with the appointment of Mrs. Geetika Bhalla as member in place of Mr. Rajesh Kumar.

### **(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 there under 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 consists of following Directors:

- |                              |  |
|------------------------------|--|
| 1. Mr. Vikas Nayar           | Chairman (Non-Executive Director )     |
| 2. Mr. Nitin Bhandari        | Member (Executive Director)            |
| 3. Mr. Surinder Kumar Kapoor | 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 2020-21, the Stakeholders Relationship Committee met 5 times on 30.06.2020, 18.08.2020, 11.09.2020, 09.11.2020 and 13.02.2021 which were attended by all the Members respectively.

During the financial year, the Company had not received any complaint. The Company's complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2020-21. The Company has designated E-mail Address exclusively for redressal of investors Complaints i.e. investor@bhandariexport.com and the same is also mentioned at the Company's Website.

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

In compliance with Section 178 of the Companies Act, 2013, the Board has a duly constituted "Nomination and Remuneration Committee". During the financial Year 2020-21 The Nomination and Remuneration Committee is presently consist of 4 directors as under:

- |                              |  |
|------------------------------|--|
| 1. Mr. Surinder Kumar Kapoor | -Chairman/Non Executive & Independent Director |
| 2. Mrs. Geetika Bhalla       | -Member/ Non Executive & Independent Director* |
| 3. Mr. Vikas Nayar           | -Member/Non Executive Director                 |
| 4. Mr. Nitin Bhandari        | -Member/Executive Director                     |

The Company Secretary of the Company is Secretary of this Committee and is the Compliance Officer of the Company. During the year 2020-21, the Stakeholders Relationship Committee met 5 times on 30.06.2020, 18.08.2020, 11.09.2020, 09.11.2020 and 13.02.2021 which were attended by all the Members respectively.

\*Mrs. Geetika Bhalla appointed w.e.f. 18.08.2020.

Mr. Rajesh Kumar was appointed as interim member of Audit Committee after the resignation of Mrs. Vibha Sharma w.e.f. 17.03.2020. Further in the board meeting held on 18.08.2020 Nomination and Remuneration Committee was re-constituted with the appointment of Mrs. Geetika Bhalla as member in place of Mr. Rajesh Kumar.

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

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

#### **(iv) Corporate Social Responsibility Committee**

As per the Audited Financial Statements of the Company for the year 2020-21, the provisions of Section 135 read with Schedule VII and Companies Corporate Social Responsibility) Rules, 2014 of the Companies Act, 2013 became applicable to the Company with effect from financial year 2020-21. So in accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the Said Act and further read Companies (Corporate Social Responsibility) Rules, 2014, "Corporate Social Responsibility Committee" was constituted w.e.f. 28.05.2016 consisting of following persons as Members/Chairman :

- |                              |   |
|------------------------------|---|
| 1. Mr. Nitin Bhandari        | Chairman (Executive Director )                  |
| 2. Mr. Vikas Nayar           | Member (Non-Executive Director)                 |
| 3. Mr. Surinder Kumar Kapoor | Member (Non-Executive and Independent Director) |

#### **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). During year 2020-21 three Meetings of CSR Committee were held on 18.08.2020, 09.11.2020 and 13.02.2021 which were attended to by all the respective Members of the Committee.

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

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

##### **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:**

- 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 Chairman & 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 Chairman & 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

### I. Chairman & Managing Director

The tenure of office of the Managing Director is for 3 years and will expire on 21.11.2023. The Board of Directors, have, in their Meeting held on 18.08.2020 re-appointed him as Chairman & Mg. Director of the Company at remuneration of Rs. 4 (four) lacs per month, for a period of 3 year w.e.f. 22.11.2020 as recommended by Nomination and Remuneration Committee, along with approval of Members at the 27<sup>th</sup> Annual General Meeting. There is no separate provision for payment of severance fees.

### II. REMUNERATION OF DIRECTORS

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

## 6. DISCLOSURES AND COMPLIANCES

### A. Related Party Transactions

During the year 2020-21, 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 lakhs)<br>2020-21 | Total (Amt. in lakhs)<br>2019-20 |
|----------------------------|---|--|----------------------------------|----------------------------------|
|                            |   |  | (4)                              | (5)                              |
| (1)                        | (2)   | (3)  |                                  |                                  |
| Purchase of goods/Job Work | Nitin Bhandari and his Relatives                            | Tikani Exports Limited   | 165.72                           | 467.81                           |
| Purchase of goods/Job Work | Nitin Bhandari and his Relatives                            | Miracle Clothing Company   | 345.33                           | 306.03                           |
| Sale of Goods/ Job Work    | Nitin Bhandari and his Relatives                            | Tikani Exports Limited   | 0                                | 782.35                           |
| Sale of Goods/ Job Work    | Nitin Bhandari and his Relatives                            | Miracle Clothing Company   | 1112.61                          | 75.52                            |
| Sale of Goods/ Job Work    | Nitin Bhandari and his Relatives                            | Anthrilo Design House  | 46.56                            | 0                                |
| Sale of Goods/ Job Work    | Nitin Bhandari and his Relatives                            | TBD Trading Company  | 0                                | 0                                |



|   |                                  |                             |        |        |
|---|----------------------------------|-----------------------------|--------|--------|
| Sale of Goods/ Job Work                                   | Nitin Bhandari and his Relatives | Amaira Textiles Mills Plc   | 0      | 28.08  |
| Reimbursement of Expenses                                 | Nitin Bhandari and his Relatives | Tikani Exports Limited      | 43.69  | 10.32  |
| Closing bal of Loan from Mr. Nitin Bhandari, Mg. Director | Nitin Bhandari and his Relatives | Sr. 1 to 4 at point B above | 909.00 | 909.00 |

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

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

#### **B. DISCLOSURES**

- During the financial year ended 31<sup>st</sup> March, 2021 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- During the year non compliance in connection to Regulation 17(1) and Regulation 18 and Regulation 19 was complied with appointment of Mr. Kunal Verma and Mrs. Geetika Bhalla on 09.11.2020 and 18.08.2020 respectively. The BSE had levied fine of Rs. 11,90,000/- (plus 18% GST) and Rs. 1,95,000/- (plus 18% GST) for which company has filed waiver application with BSE. The NSE had levied fine of Rs. 12,52,000/- (plus 18% GST) and Rs. 1,95,000/- (plus 18% GST) for which company has filed waiver application with NSE. Both the stock exchanges have not intimated its decision on the subject yet, till the date of the Director's Report 2021.
- The Company has announced Whistle Blower policy. All the personnel of the company have the access to the Audit Committee.
- The Company has complied with the mandatory requirements of the Listing Regulation.
- The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- 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).
- 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).
- During the financial year ended 31<sup>st</sup> March, 2021 the company did not engage in commodity hedging activities.

#### **C. COMPLIANCE**

- There has been no instance of non-compliance of any requirement of Corporate Governance Report.
- The Company has fully complied with the applicable requirements specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46.
- The company has followed accounting treatment as prescribed in Indian 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 2020-21.

## **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 31.03.2021**

### **a. SHARES**

|                     |     |
|---------------------|-----|
| 1. Mr. Vikas Nayyar | Nil |
| 2. Mr. Rajesh Kumar | Nil |

### **b. CONVERTIBLE INSTRUMENTS**

There are no outstanding convertible Instruments as at 31.03.2021.

## **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 2020-21, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back, conversions etc. or any other changes.

## **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 Chairman & 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 2019-20, 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 2020-21, to this Code. The said Code has also been placed by the Company on its website i.e. [www.bhandariexport.com](http://www.bhandariexport.com)

## **10. GENERAL BODY MEETINGS**

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



| Meeting              | Day      | Date       | Time      | Venue   | No. of Special Resolutions |
|----------------------|----------|------------|-----------|---|----------------------------|
| 27 <sup>th</sup> AGM | Monday   | 28.09.2020 | 9.30 A.M. | Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.) | 2                          |
| 26 <sup>th</sup> AGM | Saturday | 28.09.2019 | 9.10 A.M. | Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.) | 5                          |
| 25 <sup>th</sup> AGM | Friday   | 28.09.2018 | 9.10 A.M. | Bhandari House, Village Meharban, Rahon Road, Ludhiana-141007 (Pb.) | 1                          |

- (ii) No Extra Ordinary General Meetings were held during the financial year 2020-21.
- (iii) Number of resolutions passed through postal ballot during the financial year 2020-21 was NIL.
- (iv) At the ensuing Annual General Meeting, there is no resolution which is proposed to be passed by postal ballot.

#### 11. CEO/CFO CERTIFICATION

The Chairman & 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, 2021.

#### 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](http://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](http://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 (ATRS) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had disposed of all the pending complaints filed through scores.

#### 13. GENERAL SHAREHOLDERS INFORMATION

##### A. 28<sup>th</sup> ANNUAL GENERAL MEETING

|              |  |
|--------------|--|
| <b>DATE</b>  | 30.09.2021   |
| <b>TIME</b>  | 9.30 A.M.  |
| <b>DAY</b>   | Thursday   |
| <b>VENUE</b> | Regd. Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana- 141007 PB. INDIA |

##### B. FINANCIAL CALENDAR 2021-22 (TENTATIVE)

|                                   |                            |
|-----------------------------------|----------------------------|
| FIRST QUARTER RESULTS             | : MIDDLE OF AUGUST, 2021   |
| SECOND QUARTER RESULTS            | : MIDDLE OF NOVEMBER, 2021 |
| THIRD QUARTER RESULTS             | : MIDDLE OF FEBRUARY, 2022 |
| FOURTH QUARTER RESULTS AND YEARLY | : MIDDLE OF MAY, 2022      |
| ANNUAL ACCOUNTS/NOTICE            | : AUGUST, 2022             |

**C. 1. BOOK CLOSURE DATES : 24.09.2021 TO 30.09.2021 (BOTH DAYS INCLUSIVE)**

**2. CUT OFF DATE : 23.09.2021**

**3. LAST DATE OF RECEIVING PROXY : 28.09.2021**



4. **E-VOTING START DATE** : **MONDAY, THE 27<sup>TH</sup> SEPTEMBER, 2021 (9.00 A.M.)**  
5. **E-VOTING END DATE** : **WEDNESDAY, THE 29<sup>TH</sup> SEPTEMBER, 2021 (5.00 P.M.)**

**D. FINAL DIVIDEND PAYMENT DATE :**

Dividend, if any, declared in the next AGM will be paid on or after 30<sup>th</sup> September, 2021 but before the statutory time limit of 30 days from the date of declaration.

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

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

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

The Company has duly paid the Listing fees to the aforesaid Stock Exchanges upto Financial Year 2021-22.

**F. STOCK MARKET DATA**

The month wise highest, lowest and closing stock prices vis a vis BSE SENSEX during the financial year 2019-20 are given below:

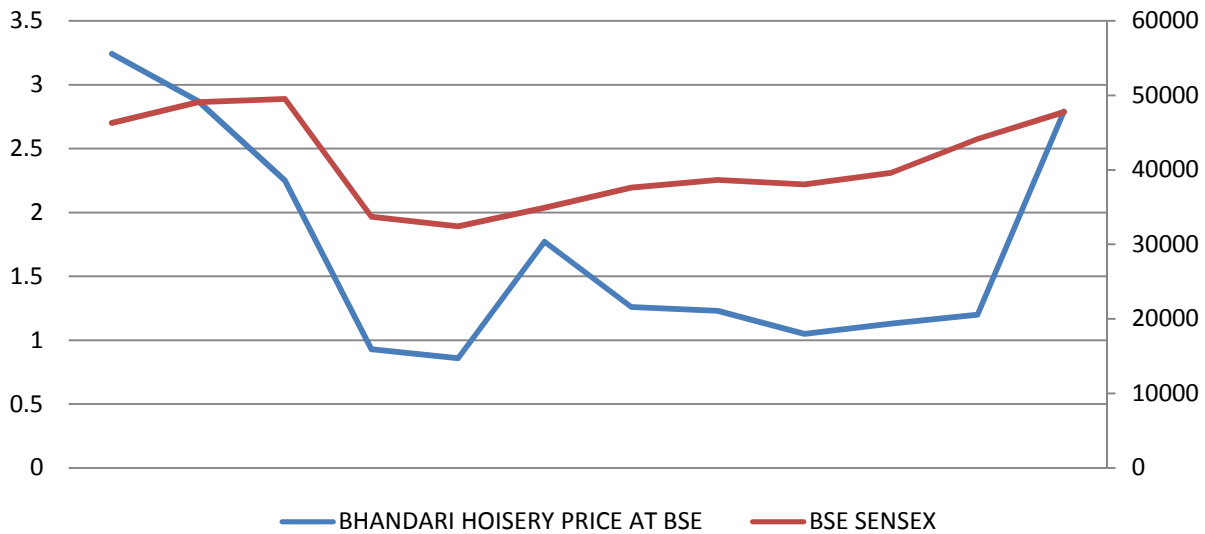
| Month  | BHANDARI HOSIERY EXPORTS LIMITED PRICES AT BSE (RS.) |      |       | BSE SENSEX |          |          | BHANDARI HOSIERY EXPORTS LIMITED PRICES AT NSE (RS.) |      |       | NSE NIFTY 50 |          |          |
|--------|--|------|-------|------------|----------|----------|--|------|-------|--------------|----------|----------|
|        | High   | Low  | Close | High       | Low      | Close    | High   | Low  | Close | High         | Low      | Close    |
| Apr-20 | 1.12   | 0.7  | 0.93  | 33887.25   | 27500.79 | 33717.62 | 1.10   | 0.70 | 0.95  | 9,889.05     | 8,653.90 | 9,859.90 |
| May-20 | 0.99   | 0.83 | 0.86  | 32845.48   | 29968.45 | 32424.1  | 0.95   | 0.80 | 0.85  | 9598.85      | 8,806.75 | 9580.30  |
| Jun-20 | 1.87   | 0.85 | 1.77  | 35706.55   | 32348.1  | 34915.8  | 1.75   | 0.85 | 1.75  | 10553.15     | 9,544.35 | 10302.10 |
| Jul-20 | 1.8  | 1.12 | 1.26  | 38617.03   | 34927.2  | 37606.89 | 1.80   | 1.10 | 1.25  | 11341.40     | 10299.60 | 11073.45 |
| Aug-20 | 1.39   | 1.19 | 1.23  | 40010.17   | 36911.23 | 38628.29 | 1.40   | 1.20 | 1.25  | 11794.25     | 10882.25 | 11387.50 |
| Sep-20 | 1.25   | 0.99 | 1.05  | 39359.51   | 36495.98 | 38067.93 | 1.25   | 1.00 | 1.05  | 11618.10     | 10790.20 | 11247.55 |
| Oct-20 | 1.3  | 1.00 | 1.13  | 41048.05   | 38410.2  | 39614.07 | 1.25   | 1.00 | 1.10  | 12025.45     | 11347.05 | 11642.40 |
| Nov-20 | 1.25   | 1.05 | 1.20  | 44825.37   | 39334.92 | 44149.72 | 1.25   | 1.00 | 1.20  | 13145.85     | 11557.40 | 12968.95 |
| Dec-20 | 2.79   | 1.2  | 2.79  | 47896.97   | 44118.1  | 47751.33 | 2.65   | 1.20 | 2.65  | 14024.85     | 12962.80 | 13981.75 |
| Jan-21 | 4.78   | 2.77 | 3.24  | 50184.01   | 46160.46 | 46285.77 | 4.65   | 2.70 | 3.25  | 14753.55     | 13596.75 | 13634.60 |
| Feb-21 | 3.32   | 2.38 | 2.87  | 52516.76   | 46433.65 | 49099.99 | 3.25   | 2.35 | 2.85  | 15431.75     | 13661.75 | 14529.15 |
| Mar-21 | 3.00   | 2.18 | 2.25  | 51821.84   | 48236.35 | 49509.15 | 2.95   | 2.15 | 2.25  | 15336.30     | 14264.40 | 14690.10 |

**BHANDARI SHARE PRICE**

**SENSEX**

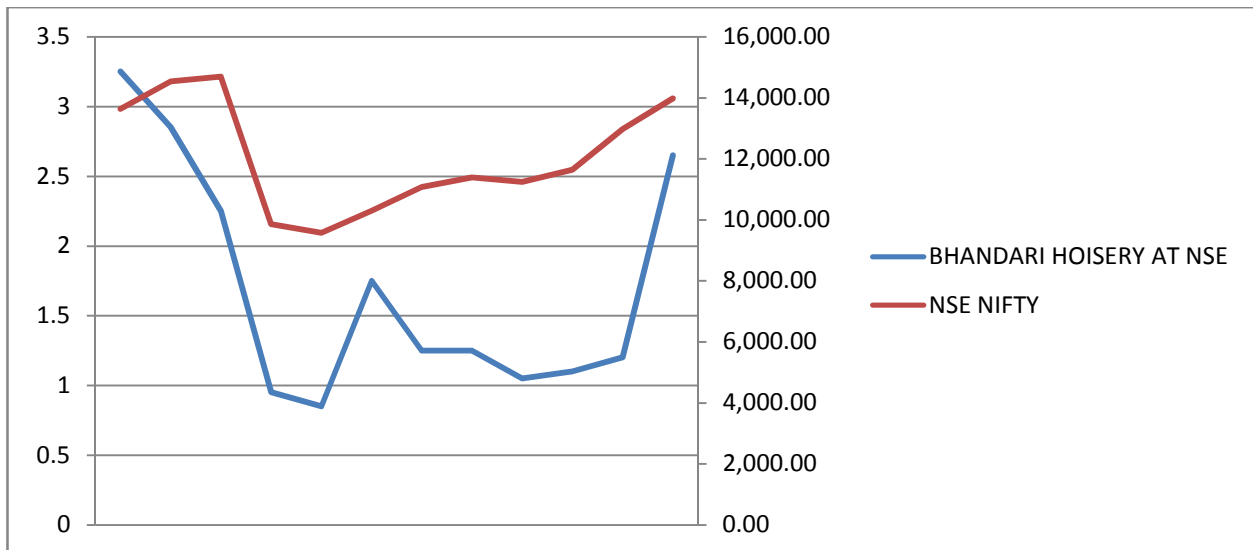


## Comparison Bhandi Hosiery Share Price with BSE



### BHANDARI SHARE PRICE

### NIFTY 50



### 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., Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058**, EMAIL: **DELHI@LINKINTIME.CO.IN**, PHONES: **011- 41410592-94, FAX: 011- 41410591**. Electronic Mode i.e de-materialization of shares is already done through them. Thus activities of share transfer and de-mat are at single point with them. The ISIN of the Company is INE474E01029. The shares of the Company are traded compulsorily in Demat form on BSE and NSE. The Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

#### H. SHARE TRANSFER SYSTEM:

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed and approved by **LINK INTIME INDIA PVT LTD., Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, 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 31.03.2021

J.

| Sr. No. | Shares Range |    |             | Number of Holders | % of Total Holders | No. of Shares | % of Shares |
|---------|--------------|----|-------------|-------------------|--------------------|---------------|-------------|
| 1       | 1            | to | 500         | 6630              | 38.3769            | 1154635       | 0.7880      |
| 2       | 501          | to | 1000        | 2464              | 14.2626            | 2247559       | 1.5339      |
| 3       | 1001         | to | 2000        | 4124              | 23.8713            | 6118352       | 4.1756      |
| 4       | 2001         | to | 3000        | 878               | 5.0822             | 2372997       | 1.6195      |
| 5       | 3001         | to | 4000        | 379               | 2.1938             | 1418787       | 0.9683      |
| 6       | 4001         | to | 5000        | 763               | 4.4165             | 3690139       | 2.5184      |
| 7       | 5001         | to | 10000       | 1011              | 5.852              | 8237651       | 5.6219      |
| 8       | 10001        | to | Above 10001 | 1027              | 5.9447             | 121286830     | 82.7744     |
| Total   |              |    |             | 17276             | 100.00             | 146526950     | 100.00      |

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

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

#### L. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2021

| CATEGORY                    | NO. OF SHARES OF FACE VALUE OF RS. 1/- EACH | % OF SHAREHOLDING |
|-----------------------------|---|-------------------|
| Promoters/ Promoters Group  | 3,65,53,132                                 | 24.95             |
| Mutual Funds                | 0   | 0                 |
| Banks, FIs, Etc.            | 0   | 0                 |
| Foreign Portfolio Investors | 3,98,194                                    | 0.27              |
| Nationalised Bank           | 0   | 0                 |
| Private Corporate Bodies    | 30,41,204                                   | 2.08              |
| Non Resident Indians        | 44,93,518                                   | 3.06              |
| Central/ State Govt.        | 0   | 0                 |
| Indian Public               | 10,16,26,372                                | 69.36             |
| Clearing Members            | 4,14,530                                    | 0.28              |
| GRAND TOTAL                 | 146,526,950                                 | 100.00            |

#### M. SHAREHOLDING OF DIRECTORS AS ON 31.03.2021

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 31.03.2021</b> |          |
|---------------------------|---|----------|
| Mr. Nitin Bhandari        | 25178300                                      | (17.18%) |
| Mrs. Vibha Sharma         | NIL   |          |
| Mr. Vikas Nayar           | NIL   |          |
| Mr. Surinder Kumar Kapoor | NIL   |          |
| Mr. Rajesh Kumar          | NIL   |          |
| Mr. Kunal Verma           | NIL   |          |

**N. DEMATERIALISATION OF SHARES:**

As on 31.03.2021 approx. 97.25% shares comprising 14,25,07,850 equity shares were dematerialized.

**O. COMPLIANCE OFFICER:**

Mr. Daljeet Singh, Company Secretary, Phones +91-88720-16434, Fax 0161-2890394. Email: [cs@bhandariexport.com](mailto:cs@bhandariexport.com); [investor@bhandariexport.com](mailto:investor@bhandariexport.com)

**P. CHAIRMAN & MG. DIRECTOR:**

Mr. Nitin Bhandari, Chairman cum Mg. Director, Phones +91-88720-16410, Fax 0161-2890394

**Q. CHIEF FINANCIAL OFFICER (CFO):**

Mr. Manoj Kumar, Phones 88720-16410.

**R. DESIGNATED EMAIL ID FOR INVESTORS:** [investor@bhandariexport.com](mailto:investor@bhandariexport.com)

**S. GREEN INITIATIVE**

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

**T. 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. 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, then for the year **2015-16** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year **2016-17** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year **2017-18** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each, then for the year **2018-19** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each and then for the year **2019-20** again @ 1% i.e. 0.01 per equity share of face value of Rs. 1/- each. Dividends that remain unclaimed/unpaid for a period of seven (7) years from the date on which they were declared, are required to be transferred to the Investor Education and Protection Fund.

**U. OUTSTANDING GDRS/ADRS/WARRANTS**

The company has not issued GDRs/ ADRs/Warrants as of March 31, 2021.

**V. 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- 2890394; 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)**

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**DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR UNDER REGULATIONS 26(3) OF THE LISTING REGULATIONS**

To

The Members,

Bhandari Hosiery Exports Limited

Ludhiana.

I, Nitin Bhandari, Chairman & Managing Director of Bhandari Hosiery Exports Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2021 affirmed compliance with the Code of Conduct laid down for the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors  
Bhandari Hosiery exports Limited

Sd/-

(Nitin Bhandari)

Chairman & Managing Director

Place: Ludhiana

Date: 14.08.2021

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**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

The Members,

Bhandari Hosiery Exports Limited,

Ludhiana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bhandari Hosiery Exports Limited having CIN: L17115PB1993PLC013930 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations

furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31<sup>st</sup> 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of Director          | DIN      |
|--------|---------------------------|----------|
| 1      | Shri Nitin Bhandari       | 01385065 |
| 2      | Shri Vikas Nayyar         | 00071047 |
| 3      | Mr. Surinder Kumar Kapoor | 08442523 |
| 4.     | Mr. Rajesh Kumar          | 05160964 |
| 5.     | Ms. Geetika Bhalla        | 08805488 |
| 6.     | Mr. Kunal Verma           | 08918691 |

Ensuring the eligibility of, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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 Rajeev Bhambri & Associates**

**Sd/-**

**(Rajeev Bhambri)**

**Proprietor**

**Company Secretary in whole time practice**

**FCS 4327**

**C.P. No. 9491**

**UDIN: F004327C000772138**

**Dated: 12.08.2021**

**Place: Ludhiana**

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

**To**

**The Board of Directors,**

**BHANDARI HOSIERY EXPORTS LIMTIED**

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

(A) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company s affairs and are in compliance with Indian 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: 14.08.2021**

Sd/-  
**Nitin Bhandari**  
**Chairman & Managing Director**

Sd/-  
**Manoj Kumar**  
**CFO**

### **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 31<sup>st</sup> March, 2021 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited and NSE.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has 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 and NSE.

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

**For KRISHAN GOEL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**PLACE: LUDHIANA**  
**DATE: 14.08.2021**

Sd/-  
**(MANOJ JAIN)**  
**Partner**  
**M.NO.091621**  
**UDIN: 21091621AAAAGH5738**

## **INDEPENDENT AUDITOR'S REPORT**

The Members of  
**BHANDARI HOSIERY EXPORTS LIMITED,**  
**LUDHIANA.**

### **Report on the Financial Statement**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **BHANDARI HOSIERY EXPORTS LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to Note No.2.3(C) to the Ind AS financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the Ind AS financial statements and our Auditor's Report thereon.

Our opinion on Ind AS financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles

generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) on the basis of written representation received from the directors as on March 31<sup>st</sup> 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup> 2021, from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report.

(g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

**For KRISHAN GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/-**

**(MANOJ JAIN)**

**Partner**

**M.NO.091621**

**UDIN: 21091621AAAAFK6895**

**PLACE: LUDHIANA**

**DATE: 23.06.2021**

**The Annexure 1 of the Independent Auditor's Report of even date on the financial statements of BHANDARI HOSIERY EXPORTS LIMITED**

**Report on the Companies (Auditor's Report) Order, 2016 ('the Order') under sub- section (11) of section 143 of the Act**

On the basis of such checks, as, we considered appropriate, and, according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of the fixed assets at reasonable intervals. In accordance with this programme, certain fixed assets were verified during the year, and, no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
2. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of clause 3 (iii) (a) (b) (c) of the Order are not applicable to the Company and hence not commented upon.
4. According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provision under Section 185 and 186 of the Companies Act, 2013. Therefore, the provision of clause 3(iv) is not applicable to the Company.
5. The Company has not accepted any deposits from the public. Therefore, the provisions of Clause 3(v) of the order are not applicable to the Company.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, customs duty, cess, Goods and Service Tax and other statutory dues with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed amounts outstanding of provident fund, employees state insurance, income-tax, cess, customs duty, Goods and Service Tax.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company has raised loans from the banks. The Company has not taken any loan either from financial institution or from the government.
9. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments). Accordingly the provision of clause 3(ix) of

the Order is not applicable to the Company. The company has raised term loans from banks for installation of the machinery.

10. Based on the audit procedure performed for purpose of reporting the true and fair view of the Ind AS financial statement and according to the information and explanation given by the management, we report that no fraud by the Company, or no material fraud on the company by officers and employees of the company has been noticed or reported during the year.

11. According to the information and explanation given by the management, the managerial remuneration has been paid / provided in accordance with the recognist appraisal mandated by the provisions of the section 197 read with Schedule V of the Companies Act, 2013.

12. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) is not applicable to the Company.

13. According to the information and explanation given by the management, the Company's transactions with its related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and, the details have been disclosed in the Notes to Financial Statements, as required by the applicable accounting standards.

14. According to the information and explanation given to us, and on an overall examination of balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the company and hence no commented upon.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors, or, persons connected with him as referred to in section 192 of the Companies Act, 2013.

16. According to the information and explanations given to us, the provision of the section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For KRISHAN GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**PLACE: LUDHIANA  
DATE: 23.06.2021**

**Sd/-  
(MANOJ JAIN)  
Partner  
M.NO.091621  
UDIN: 21091621AAAAFK6895**

## **Annexure – 2 to the Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of BHANDARI HOSIERY EXPORTS LIMITED (“the Company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Control over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Explanatory Paragraph**

We also have audited, in accordance with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the financial statements of Company which comprise in the Balance Sheet as at March 31, 2020, and the related statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 31.03.2021 expressed an unqualified opinion thereon.

**For KRISHAN GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**PLACE: LUDHIANA  
DATE: 23.06.2021**

**Sd/-  
(MANOJ JAIN)  
Partner  
M.NO.091621  
UDIN: 21091621AAAAFK6895**



**BHANDARI HOSIERY EXPORTS LTD.**

**Statement of Assets and Liabilities as on 31.03.2021**

**(Amt in Lacs)**

| Particulars                             | Notes | As at 31.03.2021 | As at 31.03.2020 |
|---|-------|------------------|------------------|
| <b>Accounting Policy</b>                | 1     |                  |                  |
| <b>Notes To Accounts</b>                | 2     |                  |                  |
| <b>ASSETS</b>                           |       |                  |                  |
| <b>Non Current Assets</b>               |       |                  |                  |
| <b>Fixed Assets</b>                     |       |                  |                  |
| a .Property, Plant & Equipments         | 3     | 5976.71          | 6525.13          |
| b. Capital Work in Progress             |       | 226.43           | 5.47             |
| c. Intangible Assets                    |       | 1.24             | 1.24             |
| d. Financial Assets                     |       |                  |                  |
| i. Investments                          |       | -                | -                |
| ii. Loans                               |       | -                | -                |
| iii. Other Financial Assets             |       | -                | -                |
| e. Other Non Current Assets             |       | -                | -                |
| f. Deferred Tax Assets                  |       | -                | -                |
| <b>Total Non Current Assets</b>         |       | 6204.39          | 6531.86          |
| <b>Current Assets</b>                   |       |                  |                  |
| a. Inventories                          | 4     | 7657.59          | 7222.36          |
| b. Financial Assets                     |       |                  |                  |
| i. Investments                          |       |                  |                  |
| ii. Trade Receiveables                  | 5     | 5118.44          | 53,31.84         |
| iii. Cash & Cash Equivalents            | 6     | 224.89           | 95.97            |
| iv. Bank Balances other than iii above  |       |                  |                  |
| v. Loans & Advances                     | 7     | 38.13            | 37.04            |
| vi Other Financial Assets               |       |                  |                  |
| c. Other Assets                         | 8     | 1485.80          | 1294.33          |
| <b>Total Current Assets</b>             |       | 14524.88         | 13981.57         |
| <b>TOTAL ASSETS</b>                     |       | <b>20729.28</b>  | <b>20513.43</b>  |
| <b>EQUITY &amp; LIABILITIES</b>         |       |                  |                  |
| <b>EQUITY</b>                           |       |                  |                  |
| Equity Share Capital                    | 9     | 1465.26          | 1465.26          |
| Other Equity                            | 10    | 6077.79          | 5925.55          |
| <b>Total Equity</b>                     |       | 7543.06          | 7390.82          |
| <b>I LIABILITIES</b>                    |       |                  |                  |
| <b>Non Current Liabilities</b>          |       |                  |                  |
| <b>a. Financial Liabilities</b>         |       |                  |                  |
| i. Borrowings                           | 11A   | 3874.64          | 3430.06          |
| ii. Other Financcail liabilities        |       |                  |                  |
| <b>b. Provisions</b>                    |       |                  |                  |
| <b>c. Deferred Tax Liability</b>        | 12    | 383.95           | 375.69           |
| <b>d. Other Non Current Liabilities</b> |       |                  |                  |
| <b>Total Non Current Liabilities</b>    |       | 4258.59          | 3805.76          |
| <b>II Current Liabilities</b>           |       |                  |                  |
| <b>a. Financial Liabilites</b>          |       |                  |                  |
| i. Borrowings                           | 11B   | 6954.28          | 7065.09          |
| ii. Trade payables                      | 13    | 857.80           | 1099.61          |
| iii. Other Financcail Liabilites        |       |                  |                  |
| <b>b. Other Current Liabilities</b>     | 14    | 1038.57          | 1045.89          |
| c. Provisions                           | 15    | 76.95            | 106.23           |
| d. Current tax liabilites/net           |       |                  |                  |
| <b>TOTAL</b>                            |       | 8927.61          | 9316.84          |
|   |       | <b>20729.28</b>  | <b>20513.43</b>  |

As per our report of even date attached

For KRISHAN GOEL & ASSOCIATES

FRN : 009607N

Chartered Accountants

sd/-

(Manoj Jain )

Partner

Membership No. 091621

Place : Ludhiana

Date : 23.06.2021

See accompanying notes to the financial statements.

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

Sd/-

(Manoj Kumar)

Chief Financial Officer

sd/-

(Daljeet Singh)

Company Secretary

sd/-

(Nitin Bhandari)

Chairman & Mg. Director

DIN : 01385065



| <b>BHANDARI HOSIERY EXPORTS LTD.</b>  |             |                         |                         |
|---|-------------|-------------------------|-------------------------|
| <b>Profit &amp; Loss Account for the year ended 31.03.2021</b>  |             | <b>(Amt in lacs)</b>    |                         |
| <b>Particulars</b>  | <b>NOTE</b> | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
| <b>I Revenue</b>  |             |                         |                         |
| Revenue from operation  | 16          | 22579.23                | 27743.01                |
| <b>II Other Income</b>  | 17          | 27.25                   | 10.49                   |
| <b>III Total Revenue</b>  |             | <b>22606.49</b>         | <b>27753.50</b>         |
| <b>IV Expenses</b>  |             |                         |                         |
| Cost of Material Consumed   | 18          | 17482.46                | 22053.38                |
| Changes in inventory of finished goods , work in process stock in trade   | 19          | 130.55                  | (218.92)                |
| Employees benefit expense   | 20          | 917.15                  | 1019.08                 |
| Finance cost  | 21          | 1073.81                 | 1022.61                 |
| Other Expenses  | 22          | 2250.48                 | 2749.72                 |
| Depreciation expense  | 3           | 539.78                  | 501.44                  |
| <b>TOTAL</b>  |             | <b>22394.25</b>         | <b>27127.32</b>         |
| <b>V Profit before exceptional and extraordinary item &amp; tax (III-IV)</b>  |             | 212.23                  | 626.18                  |
| <b>VI Exceptional items</b>   |             |                         |                         |
| <b>VII Profit before extraordinary item (V-VI)</b>  |             | 212.23                  | 626.18                  |
| <b>VIII Extraordinary Items</b>   |             |                         |                         |
| <b>IX Profit before tax (VII-VIII)</b>  |             |                         |                         |
| <b>X TAX EXPENSES</b>   |             |                         |                         |
| Current Income Tax/MAT  |             | 37.08                   | 75.00                   |
| Deferred Tax  |             | 8.26                    | 20.00                   |
| Wealth Tax  |             |                         |                         |
| Excess(short) Provisions income tax of earlier years  |             |                         |                         |
| <b>XI Profit/(Loss) for the period from continuing operations (IX-X)</b>  |             | <b>166.89</b>           | <b>531.18</b>           |
| <b>XII Profit/(Loss) for the period from discontinuing operations (IX-X)</b>  |             | NIL                     | NIL                     |
| <b>XIII Surplus carried over to Balance Sheet</b>   |             | 166.89                  | 531.18                  |
| <b>XIV Net Profit available for Equity Shareholders</b>   |             | 166.89                  | 531.18                  |
| Number of equity shares (in actual figures)   |             | 146526950               | 146526950               |
| <b>XV Basic Earning per Share of Rs. 1/- each</b>   |             | 0.11                    | 0.36                    |
| <b>Diluted Earning per Share of Rs. 1/- each</b>  |             | 0.11                    | 0.36                    |
| <b>As per our report of even date attached</b><br><b>For KRISHAN GOEL &amp; ASSOCIATES</b><br><b>FRN : 009607N</b><br><b>Chartered Accountants</b><br><b>sd/-</b><br><b>(Manoj Jain )</b><br><b>Partner</b><br><b>Membership No. 091621</b><br><b>Place : Ludhiana</b><br><b>Date : 23.06.2021</b>  |             |                         |                         |
| <b>For and on behalf of the Board of Directors of</b><br><b>BHANDARI HOSIERY EXPORTS LIMITED</b><br><br><div style="display: flex; justify-content: space-around;"> <div> <b>Sd/-</b><br/> <b>(Manoj Kumar)</b><br/> <b>Chief Financial Officer</b> </div> <div> <b>sd/-</b><br/> <b>(Daljeet Singh)</b><br/> <b>Company Secretary</b> </div> <div> <b>sd/-</b><br/> <b>(Nitin Bhandari)</b><br/> <b>Chairman &amp; Mg. Director</b><br/> <b>DIN : 01385065</b> </div> </div> |             |                         |                         |

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(RS. IN LACS)

| <b>NOTE A- PROPERTY, PLANT &amp; EQUIPMENT FOR THE YEAR ENDED 31.03.2021</b> |                              |                           |                                 |                           |                               |                       |                           |                              |                            |                            |
|--|------------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|-----------------------|---------------------------|------------------------------|----------------------------|----------------------------|
|  | GROSS BLOCK as at 01.04.2020 | ADDITIONS DURING THE YEAR | SALE / TRANSFER DURING THE YEAR | GROSS BLOCK AT 31.03.2021 | DEPRECIATION UP TO 01.04.2020 | DEPRECIATION REVERSED | DEPRECIATION FOR THE YEAR | DEPRECIATION UPTO 31.03.2021 | NET BLOCK AS AT 31.03.2021 | NET BLOCK AS AT 31.03.2020 |
| FREE HOLD LAND   | 37.33                        |                           |                                 | 37.33                     |                               |                       |                           |                              | 37.33                      | 37.33                      |
| BUILDING & SITE DEVELOPMENT  | 1693.23                      |                           |                                 | 1693.23                   | 522.98                        |                       | 53.67                     | 576.66                       | 1116.57                    | 1,170.25                   |
| TEMPORARY FITTING  | 9.16                         |                           |                                 | 9.16                      | 9.16                          |                       | 0.00                      | 9.16                         | -                          | -                          |
| PLANT & MACHINERY  | 7090.92                      | 6.32                      | 48.93                           | 7048.30                   | 1934.70                       |                       | 447.77                    | 2382.48                      | 4665.83                    | 5156.21                    |
| FURNITURE & FIXTURE  | 70.55                        | 0.21                      |                                 | 70.77                     | 70.45                         |                       | 0.10                      | 70.55                        | 0.21                       | 0.10                       |
| OFFICE EQUIPMENT   | 24.55                        | 1.08                      |                                 | 25.63                     | 22.06                         |                       | 1.48                      | 23.54                        | 2.09                       | 2.48                       |
| ELECTRIC FITTING & EQUIPMENT   | 177.72                       | 0.49                      |                                 | 178.21                    | 155.93                        |                       | 11.44                     | 167.37                       | 10.84                      | 21.79                      |
| CAR  | 233.23                       | 66.25                     | 55.76                           | 243.73                    | 99.09                         | 21.68                 | 23.18                     | 100.59                       | 143.13                     | 134.14                     |
| VEHICLES   | 24.15                        |                           |                                 | 24.15                     | 21.32                         |                       | 2.13                      | 23.44                        | 0.70                       | 2.83                       |
| <b>TOTAL</b>   | <b>9360.85</b>               | <b>74.37</b>              | <b>104.69</b>                   | <b>9330.53</b>            | <b>2835.71</b>                | <b>21.68</b>          | <b>539.78</b>             | <b>3353.81</b>               | <b>5976.71</b>             | <b>6525.14</b>             |

(RS. IN LACS)

| <b>NOTE A- PROPERTY, PLANT &amp; EQUIPMENT FOR THE YEAR ENDED 31.03.2020</b> |                              |                           |                                 |                           |                               |                       |                           |                              |                            |                            |
|--|------------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|-----------------------|---------------------------|------------------------------|----------------------------|----------------------------|
|  | GROSS BLOCK as at 01.04.2019 | ADDITIONS DURING THE YEAR | SALE / TRANSFER DURING THE YEAR | GROSS BLOCK AT 31.03.2020 | DEPRECIATION UP TO 01.04.2019 | DEPRECIATION REVERSED | DEPRECIATION FOR THE YEAR | DEPRECIATION UPTO 31.03.2020 | NET BLOCK AS AT 31.03.2020 | NET BLOCK AS AT 31.03.2019 |
| FREE HOLD LAND   | 37.33                        |                           |                                 | 37.33                     |                               |                       |                           |                              | 37.33                      | 37.33                      |
| BUILDING & SITE DEVELOPMENT  | 1693.23                      |                           |                                 | 1693.23                   | 469.31                        |                       | 53.67                     | 522.98                       | 1,170.25                   | 1223.92                    |
| TEMPORARY FITTING  | 9.16                         |                           |                                 | 9.16                      | 9.16                          |                       | 0.00                      | 9.16                         | -                          | 0.00                       |
| PLANT & MACHINERY  | 5344.63                      | 1765.43                   | 19.15                           | 7090.92                   | 1547.10                       | 15.22                 | 402.83                    | 1934.70                      | 5156.21                    | 3797.53                    |
| FURNITURE & FIXTURE  | 69.45                        | 1.10                      |                                 | 70.55                     | 63.84                         |                       | 6.61                      | 70.45                        | 0.10                       | 5.61                       |
| OFFICE EQUIPMENT   | 24.55                        |                           |                                 | 24.55                     | 21.18                         |                       | 0.88                      | 22.06                        | 2.48                       | 3.36                       |
| ELECTRIC FITTING & EQUIPMENT   | 177.50                       |                           |                                 | 177.72                    | 143.25                        |                       | 12.69                     | 155.93                       | 21.79                      | 34.25                      |
| CAR  | 233.24                       |                           |                                 | 233.23                    | 76.94                         |                       | 22.15                     | 99.09                        | 134.14                     | 156.30                     |
| VEHICLES   | 24.15                        |                           |                                 | 24.15                     | 18.72                         |                       | 2.60                      | 21.32                        | 2.83                       | 5.43                       |
| <b>TOTAL</b>   | <b>7613.24</b>               | <b>1766.53</b>            | <b>19.15</b>                    | <b>9360.85</b>            | <b>2349.50</b>                | <b>15.22</b>          | <b>501.44</b>             | <b>2835.71</b>               | <b>6525.14</b>             | <b>5263.74</b>             |



(RS. IN LACS)

| <b>NOTE B- CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31.03.2021</b> |                              |                           |                                 |                           |                               |                          |                           |                              |                            |                            |
|---|------------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|----------------------------|----------------------------|
| PARTICULARS   | GROSS BLOCK as at 01.04.2020 | ADDITIONS DURING THE YEAR | SALE / TRANSFER DURING THE YEAR | GROSS BLOCK AT 31.03.2021 | DEPRECIATION UP TO 01.04.2020 | DEPRECIATION ON REVERSED | DEPRECIATION FOR THE YEAR | DEPRECIATION UPTO 31.03.2021 | NET BLOCK AS AT 31.03.2021 | NET BLOCK AS AT 31.03.2020 |
| CAPITAL WORK IN PROGRESS  | -                            | 220.95                    | -                               | 220.95                    | -                             | -                        | -                         | -                            | 220.95-                    | -                          |
| WIP CETP DEPOSIT  | 5.47                         |                           | -                               | 5.47                      | -                             | -                        | -                         | -                            | 5.47                       | 5.47                       |
| <b>TOTAL</b>  | <b>5.47</b>                  |                           | <b>0.00</b>                     | <b>5.47</b>               | <b>0.00</b>                   | <b>0.00</b>              | <b>0.00</b>               | <b>0.00</b>                  | <b>5.47</b>                | <b>5.47</b>                |

(RS. IN LACS)

| <b>NOTE B- CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31.03.2020</b> |                              |                           |                                 |                           |                               |                          |                           |                              |                            |                            |
|---|------------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|----------------------------|----------------------------|
| PARTICULARS   | GROSS BLOCK as at 01.04.2019 | ADDITIONS DURING THE YEAR | SALE / TRANSFER DURING THE YEAR | GROSS BLOCK AT 31.03.2020 | DEPRECIATION UP TO 01.04.2019 | DEPRECIATION ON REVERSED | DEPRECIATION FOR THE YEAR | DEPRECIATION UPTO 31.03.2020 | NET BLOCK AS AT 31.03.2020 | NET BLOCK AS AT 31.03.2019 |
| CAPITAL WORK IN PROGRESS  | 89.37                        |                           | 89.37                           | -                         | -                             | -                        | -                         | -                            | -                          | 89.37                      |
| WIP CETP DEPOSIT  | 5.47                         |                           |                                 | 5.47                      | -                             | -                        | -                         | -                            | 5.47                       | 5.47                       |
| <b>TOTAL</b>  | <b>94.84</b>                 |                           | <b>92.99</b>                    | <b>5.47</b>               | <b>0.00</b>                   | <b>0.00</b>              | <b>0.00</b>               | <b>0.00</b>                  | <b>5.47</b>                | <b>98.46</b>               |

(RS. IN LACS)

| <b>NOTE C- INTANGIBLE ASSETS FOR THE YEAR ENDED 31.03.2021</b> |                              |                           |                                 |                           |                               |                          |                           |                              |                            |                            |
|--|------------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|----------------------------|----------------------------|
| PARTICULARS  | GROSS BLOCK as at 01.04.2020 | ADDITIONS DURING THE YEAR | SALE / TRANSFER DURING THE YEAR | GROSS BLOCK AT 31.03.2021 | DEPRECIATION UP TO 01.04.2020 | DEPRECIATION ON REVERSED | DEPRECIATION FOR THE YEAR | DEPRECIATION UPTO 31.03.2021 | NET BLOCK AS AT 31.03.2021 | NET BLOCK AS AT 31.03.2020 |
| <b>INTANGIBLE ASSETS</b>                                       | <b>2.21</b>                  |                           |                                 | <b>2.21</b>               | <b>0.96</b>                   | <b>--</b>                | <b>--</b>                 | <b>0.96</b>                  | <b>1.25</b>                | <b>1.25</b>                |
| <b>TOTAL</b>   | <b>2.21</b>                  |                           |                                 | <b>2.21</b>               | <b>0.96</b>                   | <b>--</b>                | <b>--</b>                 | <b>0.96</b>                  | <b>1.25</b>                | <b>1.25</b>                |

(RS. IN LACS)

| <b>NOTE C- INTANGIBLE ASSETS FOR THE YEAR ENDED 31.03.2020</b> |                              |                           |                                 |                           |                               |                          |                           |                              |                            |                            |
|--|------------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|----------------------------|----------------------------|
| PARTICULARS  | GROSS BLOCK as at 01.04.2019 | ADDITIONS DURING THE YEAR | SALE / TRANSFER DURING THE YEAR | GROSS BLOCK AT 31.03.2020 | DEPRECIATION UP TO 01.04.2019 | DEPRECIATION ON REVERSED | DEPRECIATION FOR THE YEAR | DEPRECIATION UPTO 31.03.2020 | NET BLOCK AS AT 31.03.2020 | NET BLOCK AS AT 31.03.2019 |
| <b>INTANGIBLE ASSETS</b>                                       | <b>2.21</b>                  |                           |                                 | <b>2.21</b>               | <b>0.96</b>                   | <b>--</b>                | <b>--</b>                 | <b>0.96</b>                  | <b>1.25</b>                | <b>1.25</b>                |
| <b>TOTAL</b>   | <b>2.21</b>                  |                           |                                 | <b>2.21</b>               | <b>0.96</b>                   | <b>--</b>                | <b>--</b>                 | <b>0.96</b>                  | <b>1.25</b>                | <b>1.25</b>                |



| <b>NOTE 4- INVENTORIES</b>  |   | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
|---|---|-------------------------|-------------------------|
|   | (Valued at Cost or net realisable value, whichever is lower as certified by the Management of the Company)  |                         |                         |
|   | Stores and Spares ( at cost )   | 289.55                  | 260.87                  |
|   | Raw Materials ( at cost+expenses )  | 2520.60                 | 1983.50                 |
|   | Finished Goods & wastage ( at cost or Realisable value whichever is(less)   | 2407.95                 | 2448.23                 |
|   | Work-in-Progress ( at estimated cost )  | 2439.47                 | 2529.75                 |
|   | <b>TOTAL</b>  | <b>7657.59</b>          | <b>7222.36</b>          |
| <b>Inventories: Method of Valuation</b>   |   |                         |                         |
| i   | Stores and Spares and raw material are valued at Cost.  |                         |                         |
| ii  | Semi Finished Goods are Valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever, is less.      |                         |                         |
| iii   | Finished goods are valued at cost or net realizable value, whichever is less. Cost includes materials, direct labour and allocable overheads.             |                         |                         |
| <b>NOTE 5- TRADE RECEIVABLES</b>  |   | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
| a)  | <b>Debts outstanding for a period exceeding six month from the date they are due for payment</b><br>(Unsecured, Considered Goods unless otherwise stated) |                         |                         |
|   | Domestic  | 39.06                   | 1,78.20                 |
|   | Foreign   | 15.33                   | 21.30                   |
|   |   | 54.39                   | 1,99.51                 |
| b)  | <b>Others</b>   |                         |                         |
|   | Domestic  | 4796.02                 | 5043.42                 |
|   | Bad Debts (doubtful of recovery)  | 61.94                   | 26.14                   |
|   | Foreign   | 206.08                  | 62.76                   |
|   | <b>TOTAL</b>  | <b>5118.44</b>          | <b>5331.84</b>          |
| <b>NOTE 6- CASH &amp; BANK BALANCES</b>   |   | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
| <b>Cash and cash equivalent</b>   |   |                         |                         |
|   | Cash in hand  | 14.70                   | 0.47                    |
|   | Balance with scheduled bank in current accounts   | 20.21                   | 6.37                    |
|   | Bank Deposit with original Maturity of more than 3 month  | 189.97                  | 86.15                   |
|   | <b>TOTAL</b>  | <b>224.89</b>           | <b>92.99</b>            |
| <b>NOTE 7- LOANS &amp; ADVANCES</b>   |   | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
| <b>Loans and Advances</b><br>( Unsecured, Considered Good unless otherwise stated ) |   |                         |                         |
| a)  | Advances recoverable in cash or kind or value to be received  | 6.90                    | 5.80                    |
| b)  | Securities and Deposits   | 31.23                   | 31.23                   |
|   | <b>TOTAL</b>  | <b>38.13</b>            | <b>37.04</b>            |
| <b>NOTE 8- OTHER CURRENT ASSETS</b>   |   | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
|   | Refunds Receivable(VAT, GST, IGST,TUFF, MAT etc)  | 487.73                  | 3,68.01                 |
|   | Export incentive Receivables  | 17.67                   | 14.40                   |
|   | Advances recoverable in cash or kind  | 45.36                   | 94.21                   |
|   | Cheque in Hand  | 175.80                  | 2.97                    |
|   | Advances to suppliers for capital goods   | 0                       | 1,90.95                 |
|   | Advances to suppliers of raw material, stores, goods in tansit  | 747.03                  | 6,15.47                 |
|   | Pre paid exp.   | 12.19                   | 11.26                   |
|   | <b>TOTAL</b>  | <b>1485.80</b>          | <b>1297.31</b>          |



**NOTE 9- SHARE CAPITAL**

| PARTICULARS  | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|
| <b>I. Share Capital</b>  |                  |                  |
| a) Authorised Capital<br>250,000,000 equity shares of Rs. 1/- each<br>(Previous Year 250,000,000 equity shares of Rs. 1/- each)  | 2500.00          | 2500.00          |
| b) Issued Share Capital<br>146,526,950 equity shares of Rs. 1/- each (fully paid up)<br>(Previous Year 146,526,950 equity shares of Rs. 1/- each (fully paid up)           | 1465.27          | 1465.27          |
| c) Subscribed & Paid up Capital<br>146,526,950 equity shares of Rs. 1/- each (fully paid up)<br>(Previous Year 146,526,950 equity shares of Rs. 1/- each (fully paid up)   | 1465.27          | 1465.27          |
| Note: The Company has one class of equity shares having a par value of Rs 1/- each as at 31st March, 2021. Each holder of equity shares is entitled to one vote per share. |                  |                  |

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

| Particulars   | As at 31.03.2021 |              | As at 31.03.2020 |              |
|---|------------------|--------------|------------------|--------------|
|   | No. of Shares    | Amount (Rs.) | No. of Shares    | Amount (Rs.) |
| At the beginning of the period (146,526,950 equity shares of Rs 1/- each)       | 146,526,950      | 146,526,950  | 146,526,950      | 146,526,950  |
| Add: Shares Issued during the year  | NIL              | NIL          | NIL              | NIL          |
| Less: Shares bought back during the year  | NIL              | NIL          | NIL              | NIL          |
| Add: Other movements during the year  | NIL              | NIL          | NIL              | NIL          |
| Outstanding at the end of the period (146,526,950 equity shares of Rs 1/- each) | 146,526,950      | 146,526,950  | 146,526,950      | 146,526,950  |

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

| Name of Shareholder | 31.03.2021  |              | 31.03.2020  |              |
|---------------------|-------------|--------------|-------------|--------------|
|                     | No of Share | % of Holding | No of Share | % of Holding |
| 1. NITIN BHANDARI   | 25,178,300  | 17.18        | 25,178,300  | 17.18        |
| 2. NITIKA BHANDARI  | 8,676,062   | 5.92         | 8,676,062   | 5.92         |

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

| Particulars  | Year (Aggregate No. of Shares) |             |             |            |            |            |
|--|--------------------------------|-------------|-------------|------------|------------|------------|
|  | 2020-21                        | 2019-20     | 2018-19     | 2017-18    | 2015-16    | 2014-15    |
| <b>EQUITY SHARES:</b>  |                                |             |             |            |            |            |
| Opening Balance at beginning of year -Shares of face value of Rs. 1/- each (Previous years 2014-15 and before shares of face value of Rs. 10/- each) | 146,526,950                    | 146,526,950 | 146,526,950 | 14,652,695 | 14,652,695 | 14,652,695 |
| Fully paid up pursuant to contract(s) without payment being received in cash   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| Fully paid up by way of bonus shares   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| Shares bought back   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| Rights issue/FPO/Preferential issue/ Conversion of Warrants/ any other   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| <b>TOTAL/BAL. AT CLOSE OF YEAR</b>   | 146,526,950                    | 146,526,950 | 14,652,695  | 14,652,695 | 14,652,695 | 14,652,695 |
| <b>PREFERENCE SHARES**:</b>  |                                |             |             |            |            |            |
| Fully paid up pursuant to contract(s) without payment being received in cash   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| Fully paid up by way of bonus shares   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| Shares bought back   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |
| <b>TOTAL/BAL. AT CLOSE OF YEAR</b>   | NIL                            | NIL         | NIL         | NIL        | NIL        | NIL        |



- \* The company's Share Capital consists of Fully Paid Equity Share only and there are no Preference Shares or other type of capital.
- \*\* 45,87,500 Equity shares were issued as fully paid up shares of Rs. 10/- each at a price of Rs. 44/- per equity share pursuant to Preferential allotment to persons of public, during the year 2012-13.
- \*\*\* During the Financial Year 2015-16, each equity share of nominal face value of Rs. 10/- each was sub-divided to 10 equity shares of nominal face value of Rs. 1/- each, resulting in increase in number of equity shares from 1,46,52,695 equity shares of Rs. 10/- each to 14,65,26,950 equity shares of Rs. 1/- each.
- \*\*\*\* There are no outstanding warrants/securities convertible into equity shares as at 31st March 2021.

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

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

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

**NOTE 10- OTHER EQUITY (RESERVE & SURPLUS)\***

**(RS. IN LACS)**

| <b>PARTICULARS</b>                         | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
|--|-------------------------|-------------------------|
| Share Premium Reserves                     |                         |                         |
| Opening balance                            | 1559.75                 | 1559.75                 |
| Addition during the year                   | -                       | -                       |
| Balance (A)                                | 1559.75                 | 1559.75                 |
| General Reserve                            |                         |                         |
| Opening Balance                            | 288.05                  | 288.05                  |
| Balance carried forward (B)                | 288.05                  | 288.05                  |
| Profit & Loss Account                      |                         |                         |
| Balance brought forward from previous year | 4077.75                 | 3564.26                 |
| Add : Net Profit for the Current Year      | 166.89                  | 531.18                  |
| Less : Dividend Paid on Equity Shares      | -14.65                  | -14.70                  |
| Less : Earlier years amounts trfd          | -0.00                   | -0.00                   |
| Less : Dividend Distribution Tax           | 0.00                    | -2.98                   |
| Total(C)                                   | 4229.99                 | 4,077.76                |
| <b>TOTAL (A+B+C)</b>                       | <b>6077.79</b>          | <b>5925.56</b>          |

\*Other Equity Statement on Next Page



**(RS. IN LACS)**

| <b>OTHER EQUITY DETAILED STATEMENT FOR THE YEAR ENDED 31.03.2021</b> |  |  |   |  |                |                               |                                   |  |
|--|--|--|---|--|----------------|-------------------------------|-----------------------------------|--|
|  | Balance at the Beginning of the reporting period | Changes in accounting policy or prior period error | Restated Balance at the Beginning of Reporting Period | Total Comprehensive Income of the year | Dividends      | Transfer to Retained Earnings | Earlier years amounts transferred | Balance at the end of the Reporting period |
| Share application money pending allotment                            |  |  |   |  |                |                               |                                   |  |
| Equity Component of Compound Financial Instrument                    |  |  |   |  |                |                               |                                   |  |
| Capital Reserve  |  |  |   |  |                |                               |                                   |  |
| Securities Premium Reserve   | 1,559.75   |  |   |  |                |                               |                                   | 1,559.75                                   |
| General Reserve  | 288.05   |  |   |  |                |                               |                                   | 288.05                                     |
| Retained Earnings  | 4077.75  |  |   |  | (14.65)        | 166.89                        |                                   | 4229.99                                    |
| Debt Instrument Through Other Comprehensive Income                   |  |  |   |  |                |                               |                                   |  |
| Equity Instrument Through other Comprehensive Income                 |  |  |   |  |                |                               |                                   |  |
| Revaluation Surplus  |  |  |   |  |                |                               |                                   |  |
| Exchange Difference on translating the financial statement           |  |  |   |  |                |                               |                                   |  |
| Other Items Other Comprehensive Income                               |  |  |   |  |                |                               |                                   |  |
| Money received against share capital                                 |  |  |   |  |                |                               |                                   |  |
| <b>Total</b>   | <b>5925.55</b>                                   |  |   |  | <b>(14.65)</b> | <b>166.89</b>                 |                                   | <b>6077.79</b>                             |



(RS. IN LACS)

**OTHER EQUITY DETAILED STATEMENT FOR THE YEAR ENDED 31.03.2020**

|  | Balance at the Beginning of the reporting period | Changes in accounting policy or prior period error | Restated Balance at the Beginning of Reporting Period | Total Comprehensive Income of the year | Dividends | Transfer to Retained Earnings | Earlier years amounts transferred | Balance at the end of the Reporting period |
|--|--|--|---|--|-----------|-------------------------------|-----------------------------------|--|
| Share application money pending allotment                  |  |  |   |  |           |                               |                                   |  |
| Equity Component of Compound Financial Instrument          |  |  |   |  |           |                               |                                   |  |
| Capital Reserve  |  |  |   |  |           |                               |                                   |  |
| Securities Premium Reserve                                 | 1559.75  |  |   |  |           |                               |                                   | 1559.75                                    |
| General Reserve  | 288.05   |  |   |  |           |                               |                                   | 288.05                                     |
| Retained Earnings  | 3564.26  |  |   |  | (17.63)   | 531.18                        |                                   | 4077.76                                    |
| Debt Instrument Through Other Comprehensive Income         |  |  |   |  |           |                               |                                   |  |
| Equity Instrument Through other Comprehensive Income       |  |  |   |  |           |                               |                                   |  |
| Revaluation Surplus  |  |  |   |  |           |                               |                                   |  |
| Exchange Difference on translating the financial statement |  |  |   |  |           |                               |                                   |  |
| Other Items Other Comprehensive Income                     |  |  |   |  |           |                               |                                   |  |
| Money received against share capital                       |  |  |   |  |           |                               |                                   |  |
| <b>Total</b>   | 5412.06  |  |   |  | (17.63)   | 531.18                        |                                   | 5925.56                                    |



| <b>NOTE 11- SECURED LOANS</b>  |  | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
|--|--|-------------------------|-------------------------|
| <b>Note 11A: Long Term Borrowings</b>  |  |                         |                         |
| <b>Term Loans</b>  |  |                         |                         |
| a  | S.B.I. Term Loan A/c No.34001402481 (@ 11.80%)             | -                       | 100.55                  |
| b  | S.B.I. Term Loan A/C NO. 36625258263 (@11.70%)             | 243.96                  | 364.47                  |
| c  | Union Bank of India T/L NO.034030100007657 (@10.75%)       | 620.00                  | 776.76                  |
| d  | Term Loan HDFC Bank (@8.75%)                               | 1016.65                 | 1195.79                 |
| e  | Union Bank Of india TL NO.034030100008850 (@10.75%)        | 28.65                   | 32.90                   |
| f  | Union Bank of India (GECL WCTL A/C 034016990000005) @7.80% | 176.93                  |                         |
| g  | SBI GECL WCTL A/c 40014721600 @7.95%                       | 825.90                  |                         |
| <b>Total (a)</b>   |  | <b>2912.12</b>          | <b>2470.49</b>          |
| <b>Terms of repayment of Term Loans</b>  |  |                         |                         |
| a. S.B.I. Term Loan A/C No-34001402481 stands repaid in full   |  |                         |                         |
| b & c. Repayment of term loans under "b & c" Rs.15.00 lacs per month for 30 month, 25 lacs for 25 months and 35 lacs for 12 months in proportion to the sanctioned amounts between SBI and AB.   |  |                         |                         |
| d. Repayment of term loan 60EMi starting from the October 2019 onwards   |  |                         |                         |
| e. Repayment in 48 EMI   |  |                         |                         |
| f & g. WCTL under GECL2.0 scheme is repayable in 48 EMI with moratorium of 12 months total tenure of 60 months   |  |                         |                         |
| <b>Security given to the banks</b>   |  |                         |                         |
| * For term loans "a" to "e" of note 5 the first pari pasu charge on the fixed assets is given to the lending banks under consortium on reciprocal basis. Second charge on current assets has been given to lending banks on paripassu basis. |  |                         |                         |
| ** All the credit facilities are guaranteed by personal guarantee of the Managing Director . Term loans at sr. no a to e are also collaterally secured by Equitable mortgage of land and building of Bhandari Knit Exports                   |  |                         |                         |

| <b>Financial lease Hire charges obligations</b> |                                  | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
|---|----------------------------------|-------------------------|-------------------------|
|   |                                  |                         |                         |
| h   | HDFC Vehicle loan *              | 53.52                   | 50.39                   |
| i   | Kotak Mahindra Bank Ltd. *       | -                       | 0.17                    |
| j   | Unsecured Loans from Directors** | 909.00                  | 909.00                  |
| <b>Total (b)</b>                                |                                  | <b>962.52</b>           | <b>959.57</b>           |
| <b>Total (a+b)</b>                              |                                  | <b>3874.64</b>          | <b>3430.06</b>          |

\* Car Loans are secured by way of hypothecation of respective car to the respective banks & personal guarantee of the Managing Director

\*\* Unsecured loans from director ( Mr Nitin Bhandari) as stipulated by bank are interest free

| <b>Note 11B :Short Term borrowings</b> |  | <b>As at 31.03.2021</b> | <b>As at 31.03.2020</b> |
|--|--|-------------------------|-------------------------|
| <b>Working capital Limits</b>          |  |                         |                         |
| k                                      | S.B.I. E.P.C. (@8.15%) & SLC (@10.15%) | 229.49                  | 28.46                   |
| l                                      | S.B.I. CCA 30729399785 (@9.15%)        | 4,69.48                 | 4359.45                 |
| m                                      | South Indian Bank Limited              | 1376.90                 | 1490.08                 |
| N                                      | HDFC Bank Limited cc Limit (@8.40%)    | 1178.39                 | 1187.09                 |
|  |  | 6954.28                 | 7065.09                 |
| <b>GRAND TOTAL</b>                     |  | <b>10828.92</b>         | <b>10495.16</b>         |

**Security provided to the banks , Financial institutions**

a) Working capital limits ( k, l, m & n of note 5 ) are secured by first charge on all stocks consisting of Raw Material, WIP, finished goods , stores & spares , goods with fabricators , goods in transit , stock lying on docks , book debts and all other current assets of the company both present & future.

b) Extension of charge on the entire fixed assets of the company also given to the lending bank on first parripassu basis

c) All Working capital limits are guaranteed by personal guarantee of the Managing Director.

d) Working limits (k, l, m & n) are also collaterally secured by Equitable mortgage of land and building of associate concern Tikani Exports Limited.

e) CC and EPC Limits are repayable on demand. Present Rate of interest on these limits is EPC @ 7.55, CC @9.15% p.a(SBI), . There is no default on repayment of interest on these accounts.



f) SLC Limit is repayable on demand. Rate of interest on this limits is 10.15% p.a. There is no default on repayment of interest in this accounts.

|   | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| <b>NOTE 12- DEFERRED TAX LIABILITY</b>                      |                  |                  |
| <b><u>Deferred Tax Liability ( See note 2.10 also )</u></b> |                  |                  |
| Opening Balance   | 375.69           | 355.69           |
| Add:-Provision for the year                                 | 8.26             | 20.00            |
|   | 383.95           | 375.69           |
| <b>NOTE 13-Trade payables</b>                               |                  |                  |
| Creditors for capital goods                                 |                  | -                |
| - Sundry creditors  | 857.80           | 1099.61          |
|   | 857.80           | 1099.61          |
| <b>NOTE 14- OTHER LAIBILITIES</b>                           |                  |                  |
| Unpaid dividend   | 3.94             | 3.02             |
| Statutory dues  | 29.33            | 74.18            |
| Other payables  | 122.44           | 65.14            |
| Term Loan instalments payable in one year                   | 614.70           | 551.03           |
| Advances from customers                                     | 268.14           | 352.50           |
|   | 1038.57          | 1045.89          |
| <b>NOTE 15- PROVISIONS</b>                                  |                  |                  |
| Provision for Gratuity                                      | 39.86            | 31.23            |
| Provision for Income-Tax                                    | 37.08            | 75.00            |
|   | 76.95            | 106.23           |
| <b>NOTE 16- TURNOVER</b>                                    |                  |                  |
| Sales -Export   | 972.84           | 1377.91          |
| Sales-Domestic  | 21606.39         | 26365.10         |
|   | 22579.23         | 27743.01         |
| <b>NOTE 17- OTHER INCOME</b>                                |                  |                  |
| Insurance Claims Received                                   | 0.25             | -                |
| Freight Recd  | 19.42            | 5.12             |
| Interest others   | 7.57             | 5.37             |
|   | 27.25            | 10.49            |
| <b>NOTE 18- COST OF RAW MATERIAL CONSUMED</b>               |                  |                  |
| <b><u>Material Consumed</u></b>                             |                  |                  |
| Opening stock of Raw materials                              | 1983.50          | 1853.68          |
| Purchase of raw materials & semi finished goods             | 18019.56         | 22183.20         |
|   | 20003.06         | 24036.88         |
| Less: Closing stock of raw materials & semi finished goods  | 2520.60          | 1983.50          |
| Material consumed   | 17482.46         | 22053.38         |
|   | 17482.46         | 22053.38         |
| <b>NOTE 19- INCREASE(-) /DECREAASE(+) IN STOCK</b>          |                  |                  |
| <b><u>Increase(-)/Decrease (+) in stock</u></b>             |                  |                  |
| Closing stock of WIP  | 2439.47          | 2529.75          |
| Closing stock of finished goods                             | 2407.95          | 2448.23          |
|   | 4847.43          | 4977.98          |
| <b>Less:</b>  |                  |                  |
| Opening stock of Work-in-Process                            | 2529.75          | 2462.81          |
| Opening stock of finished goods                             | 2448.23          | 2296.23          |
|   | 4977.98          | 4759.05          |
| Increase(-)/Decrease (+) in stock                           | 130.55           | (218.92)         |



| NOTE 20- EMPLOYEE BENEFIT EXPENSES  | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| <b>Personnel Expenses</b>   |                  |                  |
| Director's Remuneration   | 43.20            | 31.20            |
| Wages   | 535.73           | 604.75           |
| Salary  | 251.54           | 282.15           |
| Contribution. to PF, ESI etc.   | 26.59            | 43.00            |
| Worker's Welfare, Bonus, gratuity ,LWW, L.T.C. etc.   | 60.07            | 57.96            |
| <b>TOTAL</b>  | <b>917.15</b>    | <b>1019.08</b>   |
| <b>Retirement Benefits:</b>   |                  |                  |
| a Short term benefits   |                  |                  |
| Short term employee benefit are charged off at the undiscounted amount in the year in which the related service is      |                  |                  |
| b Long term Post retirement   |                  |                  |
| Post retirement benefit comprise of provident fund and gratuity which are accounted for as follows;                     |                  |                  |
| i Provident fund :  |                  |                  |
| This is a defined contribution plan and contribution made to the fund are charged to revenue .The Company has no        |                  |                  |
| ii Gratuity Fund  |                  |                  |
| This is a defined contribution plan . The Liability of the company is determined based on the actuarial valuation using |                  |                  |
| iii Leave with wages  |                  |                  |
| Provisions for leave with wages is made on the basis of leave accrued to the employees                                  |                  |                  |

| NOTE -21 FINANCIAL EXPENSES | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------|------------------|------------------|
| Bank Charges & Commission   | 44.19            | 58.18            |
| Bank interest Term Loan     | 315.68           | 285.14           |
| Bank Interest CC            | 713.93           | 679.28           |
| <b>TOTAL</b>                | <b>1073.81</b>   | <b>1022.61</b>   |

| NOTE -22 OTHER EXPENSES                     | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| <b>Manufacturing Expenses</b>               |                  |                  |
| Opening Stocks consumables                  | 260.87           | 278.98           |
| Consumables                                 | 177.24           | 236.15           |
| Dyeing & Finishing                          | 949.06           | 1204.66          |
| Testing & Sampling                          | 8.86             | 9.15             |
| Knitting Charges / Fabrication Charges      | 165.77           | 103.43           |
| Power & Fuel                                | 609.61           | 706.04           |
| Less Consumables closing stocks             | 289.55           | 260.87           |
|   | <b>1881.88</b>   | <b>2277.57</b>   |
| <b>Office &amp; Administrative Expenses</b> |                  |                  |
| Audit & Tax Audit Fees                      | 1.10             | 0.90             |
| Board & Audit Commt. Metting Fees           | 0.50             | 0.55             |
| Charity and Donation                        | 0.04             | 0.22             |
| CSR Expenses                                | 12.33            | 13.50            |
| Fee & Taxes                                 | 18.87            | 21.12            |
| Insurance Charges                           | 34.03            | 25.92            |
| Legal & Professional                        | 27.28            | 23.34            |
| Loss on sale of assets                      | 7.57             | 1.41             |
| Misc. Expenses                              | 1.19             | 2.98             |
| Printing & Stationery                       | 8.50             | 11.22            |
| Rent paid for showrooms                     |                  |                  |
| Telephone & Telex                           | 3.58             | 3.65             |
| Vehicle Running Expenses                    | 1.39             | 1.82             |
| <b>Travelling &amp; Conveyance</b>          |                  |                  |
| -Directors (Foreign)                        | 1.72             | 21.81            |
| -Directors (Domestic)                       |                  |                  |
| -Others                                     | 17.12            | 39.03            |
| <b>Repair &amp; Maintenance</b>             |                  |                  |
| - Building                                  | 3.90             | 12.94            |
| - Electric                                  | 2.20             | 11.00            |
| - General                                   | 2.46             | 4.33             |
| - Machinery                                 | 15.04            | 20.49            |
| - Vehicle                                   | 2.88             | 6.25             |



|   |         |         |
|---|---------|---------|
| <b><u>Selling &amp; Distribution Expenses</u></b>   |         |         |
| Brokerage & Commission  | 10.62   | 21.83   |
| Courier expenses  | 12.05   | 13.26   |
| ECGC Premium  | 0.24    | 0.16    |
| Export Expenses   | 0.51    | 0.10    |
| Packing Material  | 52.42   | 63.00   |
| Rebate & Discount ( Quality Claim )   | 0       | 0.04    |
| Rebate & Discount ( Sales )   | 41.96   | 71.83   |
| Sale Promotion & Exhibition   | 1.54    | 4.13    |
| Shipping & Freight  | 87.44   | 75.18   |
|   | 2250.48 | 2749.72 |
| <b>As per our report of even date attached</b><br><b>For KRISHAN GOEL &amp; ASSOCIATES</b><br><b>FRN : 009607N</b><br><b>Chartered Accountants</b><br><b>sd/-</b><br><b>(Manoj Jain )</b><br><b>Partner</b><br><b>Membership No. 091621</b><br><b>Place : Ludhiana</b><br><b>Date : 23.06.2021</b>  |         |         |
| <b>For and on behalf of the Board of Directors of</b><br><b>BHANDARI HOSIERY EXPORTS LIMITED</b><br><br><div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <b>Sd/-</b><br/> <b>(Manoj Kumar)</b><br/> <b>Chief Financial Officer</b> </div> <div style="text-align: center;"> <b>sd/-</b><br/> <b>(Daljeet Singh)</b><br/> <b>Company Secretary</b> </div> <div style="text-align: center;"> <b>sd/-</b><br/> <b>(Nitin Bhandari)</b><br/> <b>Chairman &amp; Mg. Director</b><br/> <b>DIN : 01385065</b> </div> </div> |         |         |

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021.**

### **NOTE 1 - CORPORATE INFORMATION**

Bhandari Hosiery Exports Limited (BHEL) is a public limited Company incorporated under the provisions of Companies Act, 1956. The CIN of Company is L17115PB1993PLC013930 and Registered Office of company is situated in Punjab at Bhandari House, Village Meharban, Rahon Road, Ludhiana. The Company is listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company does not have any subsidiary Company. The Company is into Textiles and is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 20 years experience and state of art manufacturing facilities, BHEL manufactures garments of leading international and overseas brands and some overseas retail chains in the international market, BHEL has presence in around many countries including quality conscious markets like USA, European Union etc.

The company is engaged in manufacture of knitted fabrics Kora and dyed and is also in the manufacture and export of knitted hosiery garments such as T- Shirts, Pullovers, Sweat Shirts, Bermudas, Polo Shirts, Track Suits, Pajamas, Lowers, Ladies Knitted Tops with embroidery and prints etc. and manufacture, processing and trading of dyed and non-dyed fabrics at domestic and international levels. The Company confirms to International standards in Human Recourses Practices and adopts Eco-friendly standards in production.

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

#### **2.1 ACCOUNTING POLICIES**

##### **(a) Basis of Accounting:**

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

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

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

##### **(c) Use of Estimates**

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

##### **(d) Revenue Recognition:**

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

##### **(e) Retirement Benefits:**

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

**(f) Property, Plant & Equipments:**

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

- (a) Its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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

**(g) Depreciation:**

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

#### **(h) Inventories:**

Stores and spares and raw material are valued at Cost. Semi Finished Goods are valued at cost of materials and labour together with relevant factory overheads or net realizable value, whichever, is less. Finished goods are valued at cost or net realizable value, whichever is less. Cost includes materials, direct labour and allocable overheads.

#### **(i) Borrowing Cost:**

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

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

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

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

(iii) The total sales are inclusive of export incentives and rebate & discounts received and Rebate of Rs 0/- (Previous Year Rs. 124339/-) has been shown separately under Other Expenses in Statement of Profit and Loss.

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

| Sr. No. | Particulars   | As at 31.03.2021 | As at 31.03.2020 |
|---------|---|------------------|------------------|
| (a)     | Letter of Credit outstanding  | 0.0              | 0.0              |
| (b)     | Bank Guarantee outstanding  | 1.24             | 1.24             |
| (c)     | Bill discounting with bank against irrevocable Foreign Letter of Credit | 0.00             | 0.00             |

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

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

(c) The Spread of COVID-19 has huge impact on the business operations of the company. Central government imposed nationwide lockdown w.e.f. 22.03.2020. Post lifting of lockdown the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position based on the internal and external sources of information and application of reasonable estimates. The Company has also performed sensitivity analysis on the assumption used and does not see any significant incremental risk to the recoverability of its assets. In pursuance to the relaxed guidelines the Company has now resumed its operations. Since the situation is continuously evolving the impact assessed in the future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material change arising due to impact of the pandemic on finance and operational

performance of the Company and take necessary actions to address the situations.

## 2.4 Legal cases by and against Company

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

| LIST OF CASES |   |   |   |                   |
|---------------|---|---|---|-------------------|
| S. No.        | Name of Case  | Section/ Case Number                          | Court or Tribunal                           | Status            |
| 1.            | CHD Chemicals Limited Vs Bhandari Hosiery Exports Limited             | Arbitration 848/2018                          | Chandigarh District Court                   | Notice and Record |
| 2.            | CHD Chemicals Limited Vs Bhandari Hosiery Exports Ltd.                | Arbitration 46/2018                           | Chandigarh High Court                       | Pending           |
| 3.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 1) | NIA sec 138 3575/2019                         | Ludhiana District Court (Sh. Devnoor Singh) | For Evidence      |
| 4.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 2) | NIA sec 138 4475/2019                         | Ludhiana District Court (Sh. Devnoor Singh) | For Appearance    |
| 5.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 3) | NIA sec 138 5729/2019                         | Ludhiana District Court (Sh. Devnoor Singh) | For Appearance    |
| 6.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 4) | NIA sec 138 6611/2019                         | Ludhiana District Court (Sh. Devnoor Singh) | For Evidence      |
| 7.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 5) | NIA sec 138 24268/2019                        | Ludhiana District Court (Sh. Devnoor Singh) | For Argument      |
| 8.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 6) | NIA sec 138 28638/2019                        | Ludhiana District Court (Sh. Devnoor Singh) | For Evidence      |
| 9.            | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 7) | NIA sec 138 30885/2019                        | Ludhiana District Court (Sh. Devnoor Singh) | For Appearance    |
| 10.           | Bhandari Hosiery Exports Limited Vs NAB Productions Pvt Ltd. (Case 8) | NIA Sec 138 2603/2020                         | Ludhiana District Court (Sh. Devnoor Singh) | For Appearance    |
| 11.           | Marvel Dyers Vs Bhandari Hosiery Exports Limited                      | Civil Revision Suit 5430/2019                 | High Court Punjab & Haryana                 | Pending           |
| 12.           | Marvel Dyers Vs Bhandari Hosiery Exports Limited                      | Civil Revision Suit (Rebutal Stage) 1210/2015 | Ludhiana District Court                     | Pending           |
| 13.           | Bhandari Hosiery Exports Limited Vs. Samar Gulati                     | COMA/1257/2020 NIA U/s 138                    | Ludhiana District Court                     | For Appearance    |
| 14.           | Bhandari Hosiery Exports Limited Vs. Samar Gulati                     | COMA/1258/2020 NIA U/s 138                    | Ludhiana District Court                     | For Appearance    |

|     |   |               |                            |              |
|-----|---|---------------|----------------------------|--------------|
| 15. | Bhandari Hosiery Exports Ltd.<br>Vs. Pankaj Verma | COMI/196/2019 | Ludhiana District<br>Court | For Evidence |
| 16. | Bhandari Hosiery Exports Ltd Vs<br>Kanti Gupta    | RSA-741/2019  | CHD High Court             | Pending      |

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

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

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

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

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

## 2.9 Segment Reporting

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

| Particulars    | 2020-21 (Rs. In lacs) | 2020-21 (Rs. In lacs) |
|----------------|-----------------------|-----------------------|
| Export sales   | 972.84                | 1377.91               |
| Domestic sales | 21606.39              | 26365.10              |
| Total          | 22579.23              | 27743.01              |

## 2.10 Investments

| Particulars                 | 2020-21 | 2019-20 |
|-----------------------------|---------|---------|
| Investment in shares , etc. | Nil     | Nil     |

## 2.11 Auditor's Remuneration

| Particulars               | Amt in Rs. 2020-21 | Amt in Rs. 2020-21 |
|---------------------------|--------------------|--------------------|
| Statutory Audit fee       | 60,000             | 55,000             |
| Tax audit Fee             | 20,000             | 15,000             |
| Limited Review Report     | 30,000             | 20,000             |
| Reimbursement of expenses | --                 | --                 |
| <b>Total</b>              | <b>1,10,000</b>    | <b>90,000</b>      |

## 2.12 Deferred Tax Liability

As per requirements of the Indian Accounting standard, the company has created deferred tax liability for the year

of Rs. **20,00,000/-** (previous year 16,25,000/-) which consists of the following:

(Amt in Rs.)

| <b>PARTICULARS</b>                 | <b>At the beginning of the Year</b> | <b>Charged during the year</b> | <b>At the close of year</b> |
|------------------------------------|-------------------------------------|--------------------------------|-----------------------------|
| Timing Difference on account of    |                                     |                                |                             |
| -Depreciation                      | 37569391                            | 826000                         | 38395391                    |
| -Others                            | 0                                   | 0                              | 0                           |
| <b>-Net Deferred Tax Liability</b> | <b>37569391</b>                     | <b>826000</b>                  | <b>38395391</b>             |

### 2.13 Micro, Small and Medium Industries:-

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under (the credit period with MSME supplier are mutually agreed upon):

(Amt in lacs)

| <b>Particulars</b>  | <b>2020-21</b> |
|---|----------------|
| Principal amount remaining unpaid to any supplier as at the end of accounting year  | -              |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | -              |
| The amount of interest paid along with amt. of the payment made to the supplier beyond appointed day  | -              |
| The amount of interest due and payable for the year   | -              |
| The amount of interest accrued and remaining unpaid at the end of the accounting year   | -              |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | -              |

### 2.14 Related Party Disclosure

Detail of disclosures as required by Indian Accounting Standard on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are as under: -

#### A. Related parties with whom transactions have taken place during the year 2020-21.

##### a. Key Managerial Personnel:

1. Mr. Nitin Bhandari, Chairman cum Managing Director
2. Mr. Manoj Kumar, CFO
3. Mr. Arpit Jain Company Secretary (Resigned w.e.f. 01.10.2020)
4. Mr. Daljeet Singh Company Secretary (Appointed w.e.f. 09.11.2020)

##### b. Relatives of Key Managerial Personnel

1. Mr. Naresh Bhandari (Father of Mr. Nitin Bhandari, Chairman cum Managing Director)
2. Ms. Kusum Bhandari (Mother of Mr. Nitin Bhandari, Chairman cum Managing Director)
3. Ms. Aditi Bhandari (Wife of Mr. Nitin Bhandari, Chairman cum Managing Director)
4. Ms. Nitika Bhandari (Sister of Mr. Nitin Bhandari, Chairman cum Managing Director)

| <b>Nature of Transactions</b>   | <b>Total Amount (in lakhs) 2020-21</b> | <b>Total Amount (in lakhs) 2019-20</b> |
|---|--|--|
| Remuneration / Salary paid to Key Managerial Personnel                              | 52.42                                  | 42.04                                  |
| Remuneration / Salary paid to Relatives of Key Managerial Personnel being employees | 23.16                                  | 25.28                                  |

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

1. Tikani Exports Limited
2. Miracle Clothing Company
3. TBD Trading Company
4. Anthrilo Design House
5. Amaira Textiles Mills Plc

**Transactions with Related Parties:**

| Nature of Transactions                                    | Key Management Personnel having relation with Related Party | Enterprises over which KMP is able to exercise significant influence | Total (Amt. in lakhs) | Total (Amt. in lakhs) |
|---|---|--|-----------------------|-----------------------|
|   |   |  | 2020-21               | 2019-20               |
| (1)   | (2)   | (3)  | (4)                   | (5)                   |
| Purchase of goods/Job Work                                | Nitin Bhandari and his Relatives                            | Tikani Exports Limited   | 165.72                | 467.81                |
| Purchase of goods/Job Work                                | Nitin Bhandari and his Relatives                            | Miracle Clothing Company   | 345.33                | 306.03                |
| Sale of Goods/ Job Work                                   | Nitin Bhandari and his Relatives                            | Tikani Exports Limited   | 0                     | 782.35                |
| Sale of Goods/ Job Work                                   | Nitin Bhandari and his Relatives                            | Miracle Clothing Company   | 1112.61               | 75.52                 |
| Sale of Goods/ Job Work                                   | Nitin Bhandari and his Relatives                            | Anthrilo Design House  | 46.56                 | 0                     |
| Sale of Goods/ Job Work                                   | Nitin Bhandari and his Relatives                            | TBD Trading Company  | 0                     | 0                     |
| Sale of Goods/ Job Work                                   | Nitin Bhandari and his Relatives                            | Amaira Textiles Mills Plc  | 0                     | 28.08                 |
| Reimbursement of Expenses                                 | Nitin Bhandari and his Relatives                            | Tikani Exports Limited   | 43.69                 | 10.32                 |
| Closing bal of Loan from Mr. Nitin Bhandari, Mg. Director | Nitin Bhandari and his Relatives                            | Sr. 1 to 4 at point B above  | 909.00                | 909.00                |

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

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

**2.15 Earning per share**

The calculation of Earning Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Ind AS- 33 on "Earnings Per Share".The following is the reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

| Particulars                             | No. shares 2020-21 | No. shares 2019-20 |
|---|--------------------|--------------------|
| Issued equity shares                    | 146526950          | 146526950          |
| Number of Shares at the end of the year | 146526950          | 146526950          |
| Weighted average shares outstanding     | 146526950          | 146526950          |

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

| Particulars                    | Amt in lacs (2020-21) | Amt in lacs (2019-20) |
|--------------------------------|-----------------------|-----------------------|
| Profit and loss after tax      | 166.89                | 531.18                |
| Basic Earnings per share (B/A) | 0.11                  | 0.36                  |
| Basic Earnings per share (B/A) | 0.11                  | 0.36                  |

#### 2.16 Leases

There are no such rental/ lease agreements entered into by the Company which require disclosure under IndAS-116.

#### 2.17 Additional information

| a Value of Imports Calculated on C.I.F. Basis          |                                       | 31.03.2021 (RS.) | 31.03.2020 (RS.) |
|--|---------------------------------------|------------------|------------------|
| (i)  | Raw Material                          | Nil              | Nil              |
| (ii)   | Stores, Spares, Needles, Labels,      | 2,447,415        | 2,596,215        |
|  | Packing Material, Leather goods etc.  |                  |                  |
| (iii)  | Capital goods                         | 87,429,786       | 87,429,786       |
| b Expenditure in Foreign Currency                      |                                       |                  |                  |
| (a)  | Travelling and Conveyance             | 1,681,145        | 5,525,703        |
| (b)  | Quality claim, rebate & discount etc. | 0                | 4,795            |
| c Foreign Exchange Earnings                            |                                       |                  |                  |
| (a)  | FOB Value of Exports                  | 97,284,295       | 137,791,120      |
| d The Value of Consumption of Raw Materials and Stores |                                       |                  |                  |

| Particulars   | Year ended | Raw Material  | %   | Stores            | %     |
|---------------|------------|---------------|-----|-------------------|-------|
|               | 31st March |               |     |                   |       |
| a) Imported   | 2021       | NIL           | NIL | <b>2,447,415</b>  | 16.35 |
| b) Indigenous | 2021       | 1,800,956,998 | 100 | <b>12,528,539</b> | 83.65 |
| c) Imported   | 2020       | NIL           | NIL | <b>2,596,215</b>  | 11.96 |
| d) Indigenous | 2020       | 2,205,338,791 | 100 | <b>19,754,568</b> | 88.04 |

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

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

#### 2.20 Details of Crypto Currency or Virtual Currency:-

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2020-21.

#### 2.21 Details of Corporate Social Responsibility (CSR)

The Company is covered under section 135 of The Companies act, 2013. Provisions of CSR are applicable on the company, following are the details of amount spend on CSR activities:

| Sr. No. | Particulars | Amount (In. Rs) |
|---------|-------------|-----------------|
|---------|-------------|-----------------|



|    |   |       |
|----|---|-------|
| a. | amount required to be spent by the company during the year  | 12.32 |
| b. | amount of expenditure incurred  | 12.33 |
| c. | shortfall at the end of the year  | Nil   |
| d. | total of previous years shortfall   | N.A.  |
| e. | reason for shortfall  | N.A.  |
| f. | nature of CSR activities (promoting education)  |       |
| g. | details of related party transactions, e., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard                     |       |
| h. | where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately |       |

**For KRISHAN GOEL & ASSOCIATES**

**FRN : 009607N**

**Chartered Accountants**

**sd/-**

**(Manoj Jain )**

**Partner**

**Membership No. 091621**

**Place : Ludhiana**

**Date : 23.06.2021**

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

**Sd/-**

**(Manoj Kumar)**

**Chief Financial Officer**

**sd/-**

**(Daljeet Singh)**

**Company Secretary**

**sd/-**

**(Nitin Bhandari)**

**Chairman & Mg. Director**

**DIN : 01385065**



**Bhandari Hosiery Exports Ltd.**  
Sustainable Innovation  
Design • Fabric • Garments



## BHANDARI HOSIERY EXPORTS LIMITED

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

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

Web: [www.bhandariexport.com](http://www.bhandariexport.com); Corporate Identification No./CIN: L17115PB1993PLC013930

### Form No. MGT-11 Proxy form

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

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

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

1. Name : .....
2. Address : .....
3. E-mail ID : .....
4. Signature: .....or failing him/her

1. Name : .....
2. Address : .....
3. E-mail ID : .....
4. Signature: .....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the company, to be held on Thursday, 30<sup>th</sup> day of September, 2021 at 09.30 a.m. at registered office of the company at BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA) and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolution  | Optional Please mark tick (v) |         |
|---------|---|-------------------------------|---------|
|         |   | For                           | Against |
|         | <b>Ordinary Business</b>  |                               |         |
| 1       | Adoption of Audited Balance Sheet as at 31 <sup>st</sup> March, 2021, Statement of Profit and Loss for the year ended on that date together with the Cash flow Statement and Reports of the Auditors and Directors thereon. |                               |         |
| 2       | To consider Declaration of Dividend for the year 2020-21 on equity shares.  |                               |         |
| 3       | To Reappoint Mr. Rajesh Kumar as Director who retires by rotation   |                               |         |
| 4       | To consider the appointment of M/s Krishan Goel & Associates, Chartered Accountants (FRN : 009607N) as Statutory Auditors   |                               |         |
|         | <b>Special Business</b>   |                               |         |
| 5       | To Appoint Mr. Kunal Verma as a Non-Executive Independent director  |                               |         |

Signed this..... day of ..... 2021

Signature of Shareholder.....

Signature of Proxy.....

Affix  
Revenue  
Stamp  
here

**This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



Bhandari Hosiery Exports Ltd.  
Sustainable Innovation  
Design • Fabric • Garments



## BHANDARI HOSIERY EXPORTS LIMITED

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

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

Web: [www.bhandariexport.com](http://www.bhandariexport.com); Corporate Identification No./CIN: L17115PB1993PLC013930

### ATTENDANCE SLIP

I hereby record my presence at the 28<sup>th</sup> **ANNUAL GENERAL MEETING** of the Company being held on Thursday, the 30<sup>th</sup> day of September, 2021 at 9.30 a.m. at the Registered Office of the Company at **BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 (PUNJAB) (INDIA)**

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

(IN BLOCK LETTERS)

No. of shares held.....

Signature.....

Folio No.....

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

Full Name of Proxy .....

(IN BLOCK LETTERS) (If attended by Proxy)

Signature.....

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

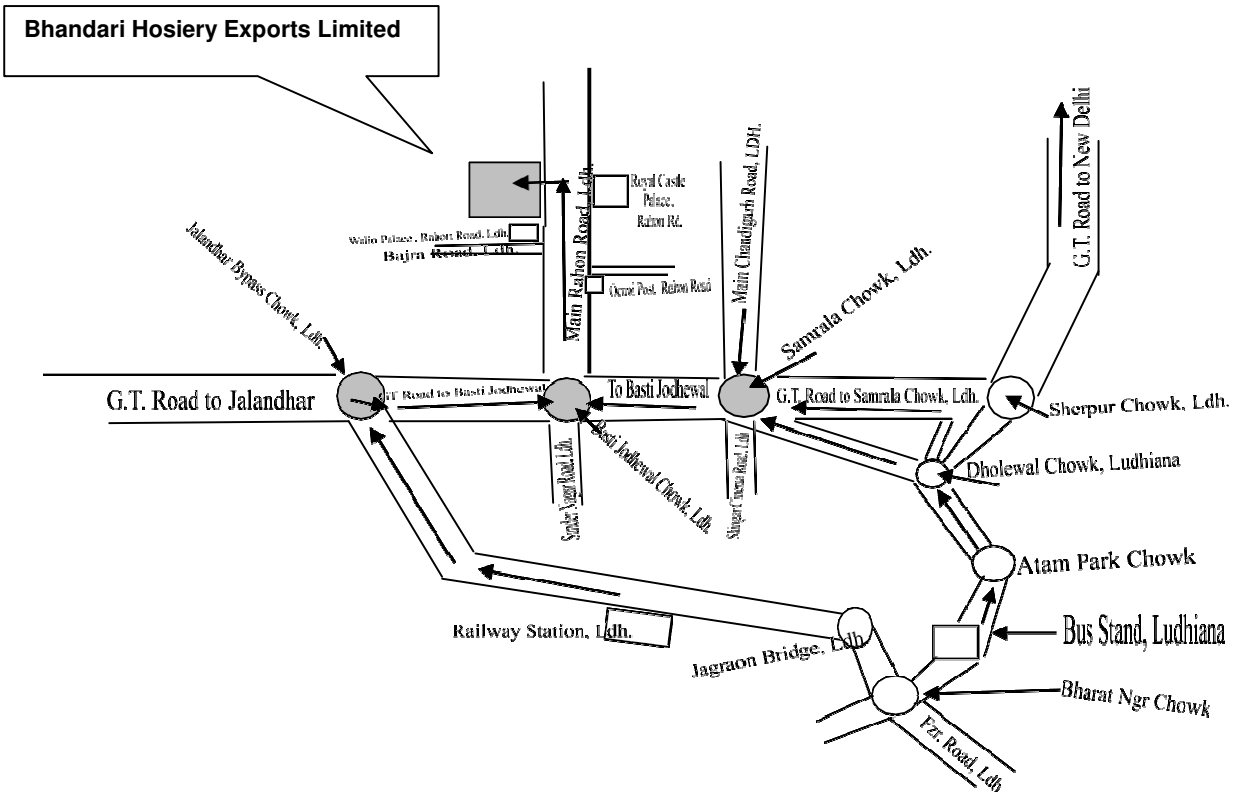
2. A proxy need not be a member.

# ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING OF

BHANDARI HOSIERY EXPORTS LIMITED

REGD. OFF: BHANDARI HOUSE, VILLAGE MEHARBAN, RAHON ROAD, LUDHIANA-141007 PUNJAB CIN: L17115PB1993PLC013930

The 26<sup>th</sup> Annual General Meeting of the Members of the Company to be held on Saturday, the 28<sup>th</sup> day of September, 2019 at 9.10 A.M. at the Registered Office of the Company





# Bhandari Hosiery Exports Ltd.

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Sustainable Innovation  
Design • Fabric • Garments

## **CORPORATE OFFICE**

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