



CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

- (i) **COMPOSITION:** At present, the Board of Directors of the Company consists of 4 Directors .One is Executive Chairman cum Mg. Director. Two are Independent Directors including one Women Director and last one is Non-Executive Director. The Composition of the Board is as per stipulated requirements.
- (ii) **BOARD MEETINGS:** During the financial year 2014-15, the Board met 6 times on 30.05.2014, 14.08.2014, 27.08.2014, 13.11.2014, 14.02.2015 and 25.03.2015. Following is the composition of the Board, attendance and other memberships of the directors of the Company:

| Name of Director | Designation | Category | No. of B.M. Attended | Attendance At last AGM | No. of Chairmanship/membership on the Board of other Public Companies | No. of Chairmanship/membership on the Committees of other Public Companies | Remarks |
|---|-------------------------------------|--|----------------------|------------------------|---|--|--------------------------|
| Shri Nitin Bhandari | Chairman and Mg. Director | Promoter Director | 6 | Yes | NIL | NIL | |
| Shri Ashish Thapar | Director | Non Executive and Independent Director | 3 | No | NIL | NIL | |
| Shri Vikas Nayyar | Director | Non Executive Director | 6 | Yes | NIL | NIL | |
| Shri ManMohan Sikka (Resigned on 14.02.2015) | Director | Non Executive and Independent Director | 5 | Yes | 1 Membership | 1 Membership | (Resigned on 14.02.2015) |
| Ms. Manmeet Sikka (Appointed on 25.03.15) | Additional Director /Woman Director | Non Executive and Independent Director | 0 | Yes | NIL | NIL NIL | (Appointed on 25.03.15) |

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

As required under Section 149(3) of the Companies Act, 2013, Ms. Manmeet Sikka was appointed as Woman/ Additional/Independent Director on the Board during year 2014-15. She is proposed to be re-appointed as an Independent Woman Director at ensuing Annual General Meeting.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(l)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.



Information of Directors including those being Appointed/Re-appointed

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

Brief Profile of Directors:

| | | | | |
|---|---|--|---|--|
| NAME OF DIRECTOR | MS. MANMEET SIKKA (INDEPENDENT DIRECTOR) | MR. NITIN BHANDARI (CHAIRMAN & MG. DIRECTOR) | SH. ASHISH THAPAR (INDEPENDENT DIRECTOR) | SH. VIKAS NAYAR (NON-EXECUTIVE DIRECTOR) |
| DIN | 07135079 | 01385065 | 00077281 | 00071047 |
| DATE OF BIRTH | 09.10.1975 | 24.08.1983 | 28.08.1952 | 11.10.1973 |
| DATE OF APPOINTMENT | 25.03.2015 | 23.11.2009 | 29.03.2003 | 29.10.2004 |
| QUALIFICATION | B. TECH. (TEXTILES), Post Graduate Diploma in Computer Aided Textile designing (CATD) | MBA in Entrepreneurial Management from European Business School, London, U.K. | B.COM | GRADUATION |
| SHAREHOLDING IN THE COMPANY | NIL | 2517830 (17.18%) | NIL | NIL |
| RELATIONSHIP WITH OTHER DIRECTORS OF THE COMPANY | NIL | NIL | NIL | NIL |
| DIRECTORSHIP/CHAIRMANSHIP IN OTHER PUBLIC COMPANIES | NONE | NONE | NIL | NIL |
| MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF BOARD OF OTHER COMPANIES | NIL | NIL | NIL | NIL |
| EXPERTISE | Ms. Manmeet Sikka aged about 40 years is Bachelors in Textiles and also a Post Graduate Diploma in Computer Aided Textile designing (CATD). She Has around 18 years of experience in garments and textile segment and she has expertise in Overseeing fulfillment of export orders, sourcing of goods from domestic and international markets, merchandising, sampling, costing and fixing production parameters. | Mr. Nitin Bhandari aged 32 years has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He has developed vast experience in the fields of Finance, production management, merchandising, setting up of new textiles projects, their modernization and expansion, viability, liaison with foreign and domestic buyers, marketing, cost & wastage control etc. | Mr. Ashish Thapar, aged about 63 years has a lot of experience in the fields of Manufacture and export of readymade garments. He is well versed with the Knitting and embroidery business, Merchandising functions and planning of the Financial Resources for garment units. | Mr. Vikas Nayyar has the exposure and experience of around 14 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. |



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 Clause 49 of the Listing Agreement, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

INDEPENDENT DIRECTORS' MEETING:

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Clause 49 (II)(B)(6) of the listing agreement with the stock exchange, the Independent Directors met on 13.11.2014 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.

CODE OF CONDUCT:

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

In terms of the requirements of Clause 49 of the Listing Agreement, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company,. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2015 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.



CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

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

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2015. 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:

During the year 2014-15, the Audit Committee was re-constituted w.e.f. 30.05.2014, in accordance with the applicable provisions of Companies Act, 2013 and Listing Agreement with BSE. After resignation of Shri Manmohan Sikka, Independent Director, the Audit Committee was again re-constituted on 25.03.2015. At present the Audit Committee consists of 3 directors as under:

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

The Company Secretary is secretary to this Committee.

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

The Audit Committee met five times during the financial year 2014-15, on 30.05.2014, 14.08.2014, 27.08.2014, 13.11.2014 and 14.02.2015. The Meetings were attended to by all the respective members.

(ii) Stakeholders Relationship Committee

W.e.f. 30.05.2014, a new Committee named Stakeholders Relationship Committee had been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder, the composition of which also complies with the Listing Agreement of BSE. The new Committee consisted of Shri Vikas Nayar (Chairman), Shri Manmohan Sikka and Shri Nitin Bhandari as the Members. After resignation of Shri Manmohan Sikka, Ms. Manmeet Sikka was appointed to this Committee in place. The present constitution of the same is as under:

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

The Company Secretary of the Company is Secretary of this Committee and is the Compliance Officer of the Company. During the year 2014-15, the Stakeholders Relationship Committee met 5 times on 10.06.2014, 14.08.2014, 13.11.2014, 14.02.2015 and 25.03.2015 at which all the Members were present.

During the financial year, the Company had not received any complaint from Shareholders of the Company. The Company's complaint redressal systems are in order. There is no pendency in respect of shares received for transfer during the year 2014-15. The Company has designated Email Address exclusively for redressal of investors Complaints i.e. investor@bhandariexport.com and the same is also mentioned at the Company's Website.

(iii) Nomination and Remuneration Committee -

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted the "Nomination and Remuneration Committee" on 30.05.2014. At present, the Nomination and Remuneration Committee consists of the following members:

- | | | |
|------------------------|---|--|
| 1. Ms. Manmeet Sikka | - | Chairman/ Non Executive & Independent Director |
| 2. Shri Ashish Thapar | - | Member/ Non Executive & Independent Director |
| 3. Shri Vikas Nayar | - | Member/ Non Executive Director |
| 4. Shri Nitin Bhandari | - | Member |

During year 2014-15, two Meetings of Nomination and Remuneration Committee were held on 30.05.2014 and 13.11.2014 which were attended to by all the respective Members.

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.

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

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

I. POLICY

A. NON EXECUTIVE DIRECTORS -CRITERIA OF SELECTION

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

REMUNERATION OF NON EXECUTIVE DIRECTORS:

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

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

B. MANAGING DIRECTOR - CRITERIA FOR SELECTION /APPOINTMENT

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

Remuneration for Managing Director

- i. At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by Managing Director, the industry benchmarks and the current trends;
 - d. the Company's performance vis-à-vis the annual budget achievement and individual performance.



Remuneration Policy for the Senior Management Employees

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

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

5. TERMS OF APPOINTMENT & REMUNERATION –Managing Director

Mr. Nitin Bhandari was appointed as Chairman cum Managing Director of the Company by Board of Directors of the Company in its Meeting held on 23.11.2009 for a period of 5 years w.e.f. 23.11.2009. The present term of Shri Nitin Bhandari expired on 22.11.2014. Keeping in view the efforts made by Mr. Nitin Bhandari towards the growth of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 13.11.2014 had approved the re-appointment of Mr. Nitin Bhandari as Chairman & Managing Director and CEO of the Company, for a period of 3 (three) years with effect from 22.11.2014 at existing consolidated monthly remuneration of Rs. 1,20,000/- per month, subject to the approval of Members of the Company at general Meeting.

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

II. REMUNERATION OF DIRECTORS

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

6. DISCLOSURES

A. Related Party Transactions

During the year 2014-15, the Company has entered into following transactions with related parties , in ordinary course of business and at arm's length basis:

| Nature of Transactions | Key Management Personnel having relation with Related Party | Enterprises over which KMP is able to exercise significant influence | Total (Amt. in Rs.) 2014-15 |
|----------------------------|---|--|-----------------------------|
| (1) | (2) | (3) | (4) |
| Purchase of Goods/Job Work | Nitin Bhandari and his Relatives | Bhandari Knit Exports | 4704725 |
| Purchase of Goods/Job Work | Nitin Bhandari and his Relatives | Miracle Clothing Company | 701588 |
| Sale of Goods/ Job Work | Nitin Bhandari and his Relatives | Bhandari Knit Exports | 14732838 |
| Sale of Goods/ Job Work | Nitin Bhandari and his Relatives | Miracle Clothing Company | 146440 |
| Rent Received | Nitin Bhandari and his Relatives | Bhandari Knit Exports | 180000 |

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 proviso to revised Clause 49 VII C of the Listing Agreement.

B. Compliances by the Company

- a) During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on matters related to capital markets.
- b) Company has not denied any personnel, access to Audit Committee for informing unethical or improper practice.
- c) Company has complied with all the mandatory requirements of corporate governance.

C. Disclosure of relationship between Directors inter-se:

None of the Director is related to each other.

D. Disclosure of shares/ convertible instruments held by Non- Executive Directors as on 31.03.2015

a. SHARES

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



b. CONVERTIBLE INSTRUMENTS

There are no outstanding convertible Instruments as at 31.03.2015.

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

During the financial year 2014-15, there was no public/rights/preferential or bonus issue of the securities.

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 (as per Clause 49 of the listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The Mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.bhandariexport.com. We affirm that during the financial year 2014-15, 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 2014-15, to this Code. The said Code has also been placed by the Company on its website i.e. www.bhandariexport.com

10. GENERAL BODY MEETINGS:

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

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

(ii) No Extra Ordinary General Meetings were held during the Financial year 2014-15.

(iii) Number of resolutions passed through postal ballot during the financial year 2014-15 was Two.

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

1. Special Resolution under Section 180(1) (c) of the Companies Act, 2013 authorizing the Board of Directors to exercise borrowing powers of the Company.
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors to mortgage and/ or create any charge on immovable and /or movable properties of the Company.

The resolution were passed with requisite majority on date of its declaration i.e. September 08, 2014.

The Company had appointed M/s Rajeev Bhambri & Associates, Ludhiana, Practicing Company Secretaries as 'Scrutinizer' for conducting the postal ballot process. Ballot Forms/e-votes received up to closure of 5:00 p.m., on September 05, 2014 had been considered. The voting pattern of the same was as under:

| RESOLUTIONS | TOTAL MEMBERS VOTED | TOTAL NO. OF VOTES | INVALID VOTES | VALID VOTES | VALID VOTES IN FAVOUR | % IN FAVOUR | VALID VOTES AGAINST | % AGAINST |
|--------------------------|---------------------|--------------------|---------------|-------------|-----------------------|-------------|---------------------|-----------|
| under Section 180(1) (c) | 38 | 4763171 | 1620 | 4761551 | 4760281 | 99.97 | 1270 | 0.03 |
| under Section 180(1)(a) | 38 | 4763171 | 1620 | 4761551 | 4760281 | 99.97 | 1270 | 0.03 |

The resolutions were passed with requisite majority on date of declaration of results made on September 08, 2014 at the Registered Office of the Company.

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



11. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(IX) of the Listing Agreement, for the year ended 31st March, 2015.

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. All information including business updates, product, process, financials such as Annual Reports, Quarterly results, Shareholding Pattern, different codes are also available on the Company's Website i.e www.bhandariexport.com and information about it is also given in the Annual Reports and publications made by the Company.

13. GENERAL SHAREHOLDERS INFORMATION:

A. 22nd ANNUAL GENERAL MEETING

DATE 29.09.2015
TIME 9.00 A.M.
DAY Tuesday
VENUE Regd.Office At Bhandari House, Village Meharban, Rahon Road, Ludhiana- 141007

B. FINANCIAL CALENDAR 2015-16 (TENTATIVE)

FIRST QUARTER RESULTS : MIDDLE OF AUGUST, 2015
SECOND QUARTER RESULTS : MIDDLE OF NOVEMBER, 2015
THIRD QUARTER RESULTS : MIDDLE OF FEBRUARY, 2016
FOURTH QUARTER RESULTS AND YEARLY : MIDDLE OF MAY, 2016
ANNUAL ACCOUNTS/NOTICE : AUGUST, 2016

- C. 1. BOOK CLOSURE DATES : 23.09.2015 TO 29.09.2015 (BOTH DAYS INCLUSIVE)**
2. CUT OFF DATE : 22.09.2015

D. FINAL DIVIDEND PAYMENT DATE :

Dividend, if any, declared in the next AGM will be paid on or after 29th September, 2015 but before the statutory time limit of 30 days from the date of declaration.

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

BSE SCRIP CODE: 512608 ISIN: INE 474E01011

The Company has duly paid the Listing fees to the aforesaid Stock Exchange upto Financial Year 2015-16.

F. STOCK MARKET DATA

The month wise highest, lowest and closing stock prices vis a vis BSE Sensex during the financial year 2014-15 are given below:

| BHANDARI HOSIERY EXPORTS LIMITED | | | | BSE SENSEX | | |
|----------------------------------|-------|-------|-------|------------|----------|----------|
| MONTH | HIGH | LOW | CLOSE | HIGH | LOW | CLOSE |
| | (Rs.) | (Rs.) | (Rs.) | (Points) | (Points) | (Points) |
| Apr-14 | 46.4 | 39.9 | 41.95 | 22939.31 | 22197.51 | 22417.8 |
| May-14 | 44.85 | 36.7 | 41.15 | 25375.63 | 22277.04 | 24217.34 |
| Jun-14 | 51.2 | 40 | 49.45 | 25725.12 | 24270.2 | 25413.78 |
| Jul-14 | 64.6 | 47.5 | 50.85 | 26300.17 | 24892 | 25894.97 |
| Aug-14 | 54 | 47.5 | 49.35 | 26674.38 | 25232.82 | 26638.11 |
| Sep-14 | 52 | 40 | 43.15 | 27354.99 | 26220.49 | 26630.51 |
| Oct-14 | 44.85 | 33 | 41.75 | 27894.32 | 25910.77 | 27865.83 |
| Nov-14 | 47.5 | 38.55 | 40.35 | 28822.37 | 27739.56 | 28693.99 |
| Dec-14 | 44 | 34 | 38.65 | 28809.64 | 26469.42 | 27499.42 |
| Jan-15 | 38.4 | 28.3 | 31.4 | 29844.16 | 26776.12 | 29182.95 |
| Feb-15 | 32.9 | 26.25 | 28.45 | 29560.32 | 28044.49 | 29361.5 |
| Mar-15 | 33.95 | 24 | 30.2 | 30024.74 | 27248.45 | 27957.49 |



G. REGISTRAR AND SHARE TRANSFER AGENT :

In accordance with the Circular of Securities and Exchange Board of India (SEBI), the work of physical share transfer of the Company is with M/S **LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2nd FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591.** Electronic Mode i.e de-materialization of shares is already done through them. Thus activities of share transfer and de-mat are at single point with them. The ISIN of the Company is : ISIN INE 474E01011. The shares of the Company are traded compulsorily in Demat form on Bombay Stock Exchange Ltd. and the Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

H. SHARE TRANSFER SYSTEM:

LINK INTIME INDIA PVT LTD., 44, COMMUNITY CENTRE, 2nd FLOOR, NARAINA INDUSTRIAL AREA PHASE- I, NEAR PVR NARAINA, NEW DELHI -110 028, EMAIL: DELHI@LINKINTIME.CO.IN, PHONES: 011- 41410592-94, FAX: 011- 41410591, are the RTAs of the Company to handle both physical and demat of shares activities. Physical Share Transfers are normally completed/replied within 15 days by RTAs .

I. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2015

| RANGE OF SHARES (Nos.) | NO. OF HOLDERS | %OF HOLDERS | NO. OF SHARES | % OF SHARES |
|------------------------|----------------|-------------|---------------|-------------|
| Upto 500 | 4195 | 86.30 | 634213 | 4.33 |
| 501 to 1000 | 215 | 4.42 | 168548 | 1.15 |
| 1001 to 2000 | 145 | 2.98 | 217053 | 1.48 |
| 2001 to 3000 | 60 | 1.23 | 157467 | 1.08 |
| 3001 to 4000 | 30 | 0.62 | 108773 | 0.74 |
| 4001 to 5000 | 33 | 0.68 | 159274 | 1.08 |
| 5001 to 10000 | 63 | 1.30 | 514409 | 3.51 |
| 10001 and above | 120 | 2.47 | 12692958 | 86.63 |
| Total | 4861 | 100.000 | 14652695 | 100.000 |

J. COMPLIANCE WITH MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company has fully complied with the applicable mandatory requirements of clause 49 of the Listing Agreement.

K. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2015

| CATEGORY | NO. OF SHARES | % OF SHAREHOLDING |
|---|-----------------|-------------------|
| Promoters/ Promoters Group | 3474029 | 23.71 |
| Mutual Funds | 0 | 0 |
| Banks, FIs, Etc. | 0 | 0 |
| Foreign Institutional Investors / Foreign Mutual Funds | 155000 | 1.06 |
| Private Corporate Bodies | 1939055 | 13.23 |
| Non Resident Indians | 148608 | 1.01 |
| Foreign Corporate Bodies | 200000 | 1.36 |
| Indian Public | 8714695 | 59.49 |
| Clearing Members | 21308 | 0.14 |
| GRAND TOTAL | 14652695 | 100 |

L. SHAREHOLDING OF DIRECTORS AS ON 31.03.2015

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

| Name of Directors | Number of Shares held as on 31.03.2015 |
|--------------------|--|
| Mr. Nitin Bhandari | 2517830 (17.18%) |
| Ms. Manmeet Sikka | NIL |
| Mr. Vikas Nayar | NIL |
| Mr. Ashish Thapar | NIL |



M. DEMATERIALISATION OF SHARES:

As on 31.03.2015 approx. 96.76% shares comprising 14178620 equity shares were dematerialized.

N. COMPLIANCE OFFICER :

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

O. CEO & MG. DIRECTOR:

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

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

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

R. GREEN INTITIATIVE

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

S. UNCLAIMED DIVIDENDS

The Company had declared Interim Dividend in the year 2006-07. The unencashed dividend amount lying unclaimed to the credit of the said Unpaid Dividend Account 2006-07 became due for transfer to the Investor Education and Protection Fund in April, 2014. The company has accordingly transferred all amounts of unencashed dividend amount remaining unclaimed and due for transfer to the Investor Education and Protection Fund. There are no amounts of dividend now requiring transfer to Investor Education and Protection Fund

T. OUTSTANDING GDRS/ADRS/WARRANTS

The company has not issued GDRs/ ADRs/Warrants as of March 31, 2015.

U. PLANT LOCATIONS:

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

V. ADDRESS FOR CORRESPONDENCE:

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

X. CORPORATE IDENTITY NUMBER (CIN):

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

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



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

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

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) Significant changes in the internal control over financial reporting during the year;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ludhiana
Date: 10.08.2015

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

Sd/-
Manoj Kumar
CFO

Declaration Regarding Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2015.

Sd/-

Place: Ludhiana
Date: 14.08.2015

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

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

TO

THE MEMBERS
BHANDARI HOSIERY EXPORTS LIMITED

We have examined the compliance of the conditions of Corporate Governance by M/s Bhandari Hosiery Exports Limited for the year ended on March 31, 2015 as required in clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

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

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

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

PLACE : LUDHIANA
DATED : 10.08.2015

For VIPAN KUMAR AGGARWAL & CO.
(CHARTERED ACCOUNTANTS)
Sd/-
(VIPAN AGGARWAL)
PROPRIETOR
MEMBERSHIP NO. 081198