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# BANG OVERSEAS Ltd. ANNUAL REPORT 2012-2013

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#### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

Mr. Brijgopal Bang Mr. Raghvendra Bang Mr. Purshottam Bang Mr. Subrata Kumar Dey Dr. Mithilesh Kumar Sinha Mr. Vijay Ajgaonkar Chairman and Managing Director

Executive Director
Executive Director
Independent Director
Independent Director
Independent Director

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Nishi Vijay Vargiya

#### STATUTORY AUDITORS

M/s. Rajendra K. Gupta & Associates Room No. 3, Kshipra Society, Akurli Cross Road No. – 1, Kandivali (East), Mumbai – 400 101. Tel.: (022) 28874879

E-mail: rk.gupta@hawcoindia.com

#### **INTERNAL AUDITORS**

FRG & Company, Chartered Accountants, Office no. 303, RatanGalaxie, J. N. Road, Mulund (W), Mumbai 400080 E-mail: rajeshtiwari@frgglobal.com

#### REGISTERED OFFICE

Masjid Manor, II Floor, 16, Homi Modi Street, Fort, Mumbai – 400 023. Tel.: (022) 22043496

#### PRACTISING COMPANY SECRETARIES

M/s. Kothari H. & Associates 208, 2nd Floor, BSE Building, Dalal Street, Fort, Mumbai 400 001. Tel.: (022) 6637 7764

E mail: hiteshkotharics@yahoo.co.in

#### **BANKERS**

BANK OF INDIA
ORIENTAL BANK OF COMMERCE

#### **CORPORATE OFFICE**

405 - 406, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 . Tel.: (022) 66607965, Fax: (022) 66607970

#### **REGISTRAR & TRANSFER AGENT**

Karvy Computershare Private Limited Plot No. 17-24 VitthalRao Nagar, Madhapur, Hyderabad 500 081 Tel.: (91 40) 23431553, Email: Varghese@karvy.com

#### **MANUFACTURING UNITS**

Unit No. 1 – NCC Plot No. 4, Apparel Park Auto Nagar, Vadlapudi, Visakhapatnam – 530 046, India.

#### **WAREHOUSES**

Rajlaxmi Commercial Complex, Gala No. O -10/11/12, Mane Farm House, Opp. Durgesh Park, Kalher Village, Bhiwandi – 421 302.

#### Unit No. 2 - FCC

19/2, 9th Main, Basavapura Village, BegurHobli, Electronic City Post, Bangalore – 560 100, India.

Rajlaxmi Commercial Complex, Gala No.: BD-102/103/107 Opp. Durgesh Park, Kalher Village, Bhiwandi – 421 302.

#### Unit No. 3 - RCC

# 1941/ A & 2011, Gramathana Kacharakanahalli, Hennur Main Road Bangalore – 560 084

Reunion Clothing Company Plot No.: Z-5, Phase II, VSEZ, Dauvvada, Visakhapatnam 530046. (A.P)

WEBSITE - www.banggroup.com

#### **DIRECTORS' BIOGRAPHY**

#### **BRIJGOPAL BANG - CHAIRMAN & MANAGING DIRECTOR**

Mr. Brijgopal Bang is Commerce Graduate and also completed Master of Management Studies (MMS) from Bombay University in the year 1992. He is the promoter and Managing Director of the Company. He has been actively involved in the business of the Company since incorporation and has played a key role in the growth of the Company with his inputs in strategic planning and business development.

#### DR. M. K. SINHA - NON - EXECUTIVE & INDEPENDENT DIRECTOR

Dr. M. K. Sinha is a Doctorate in Operation Research and has done his Masters in Mathematics. He retired as the Chairman & Managing Director of State Bank of India (SBI) in 1995 after serving the bank for almost 39 years. He over his period of service with the SBI, has been involved in critical areas like management audit, human resource & organizational development, foreign exchange, fund management, financial restructuring etc. He was a representative of SBI for the East European countries at Moscow for almost 4 years. He was on the Board of seven associate banks of SBI while working with the SBI.

#### MR. V. D. AJGAONKAR – NON- EXECUTIVE & INDEPENDENT DIRECTOR

Mr. V.D. Ajgaonkar is CAIIB, M.Com and LL.B. He served State Bank of India from 1979 to 1995 in different capacities and from 1996 to 2000; he was on deputation to SBI Capital Markets Limited. After serving SBI Capital Markets Limited, in February, 2000 he joined Times Guarantee Financial Limited and served their till March, 2004. He has experience of 32 years in Banking and Financial Management services with specialization in project finance, and other related capital market activities. He is a Non-Executive Director of the Company. He serves on the Boards of various Public/Private Limited Companies.

#### MR. SUBRATA KUMAR DEY – NON- EXECUTIVE & INDEPENDENT DIRECTOR

Mr. Subrata K. Dey is BA (Hons) and has done MA in Economics. He has experience of 35 years predominantly in areas of Corporate Banking especially for Large, mid-Corporates. He served ING VYSYA BANK LTD from 2001 to 2009 as Regional Head (West). After retirement from ING VYSYA BANK LTD he joined a listed NBFC as Director in Advisory Role in the area of Corporate Finance – Debt Syndication, Structuring, Restructuring, Finance options, etc.

#### MR. RAGHVENDRA BANG – EXECUTIVE DIRECTOR

Mr. Raghvendra Bang is Commerce Graduate from R A Poddar College, Mumbai University. He has an experience of more than 8 years in the field on Marketing & Finance. He is looking overseas operation of the Company.

#### MR. PURSHOTTAM BANG – EXECUTIVE DIRECTOR

Mr. Purshottam Bang is a B.Sc. (Physics) Graduate from Jai Hind Collage, Mumbai. He has a vast experience of more than 15 years in field of Marketing. He has been handling manufacturing division of Bang Overseas Ltd.

#### **DIRECTORS' REPORT**

To the Members,

Your Directors take pleasure in presenting their 21st Annual Report of the Company together with the Audited Financial Statement for the year ended 31st March 2013.

FINANCIAL RESULTS: (Rs. In lacs)

	Stand Alone		Consolidated	
Description	Year Ended 31.03.13	Year Ended 31.03.12	Year Ended 31.03.13	Year Ended 31.03.12
Revenue	23659.28	13723.79	27196.61	17612.85
Other Income	373.85	357.78	422.35	370.15
Total Expenditure	23120.92	13448.79	26581.7	17278.04
Earnings before Interest, Depreciation and Tax (EBIDT)	912.21	632.78	1037.26	704.96
Less: Interest	474.09	502.99	534.15	571.13
<b>Earnings Before Depreciation And Tax (EBDT)</b>	438.12	129.79	503.11	133.83
Less: Depreciation	124.92	123.42	142.58	138.35
Profit before Tax (PBT)	313.2	6.37	360.53	-4.52
Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	211.65	-16.45	229.68	-16.06
Profit after Tax (PAT)	101.55	22.82	130.85	11.54

#### **PERFORMANCE REVIEW**

#### **Stand Alone**

During the year under review, the Company achieved revenue of Rs.23659.28 Lacs as against Rs.13723.79 Lacs in previous year i.e. increase by 72.36% to the corresponding previous year. The Net Profit after Tax to the tune of Rs.101.55 Lacs as against Net Profit of Rs. 22.82 lacs for the corresponding previous financial year i.e increase of 345% to the corresponding previous year. The company has registered good income growth as compared to last year.

#### Consolidated

During the year under review, the Company achieved revenue of Rs.27196.66 Lacs as against Rs.17612.85 Lacs in previous year i.e. increase by 54.41% to the corresponding previous year. The Net Profit after Tax to the tune of Rs.130.85 Lacs as against Net Profit of Rs. 11.54 Lacs for the corresponding previous financial year i.e increase of 1033.88% to the corresponding previous year.

#### **DIVIDEND AND TRANSFER TO RESERVES**

Your Company is undertaking some expansion plans and in order to meet the financial requirements for these plans, your Director's propose to plough back the profits and do not recommend any dividend for the year 2013-14. No amount is proposed to be transferred to Reserves.

The Register of Members and Share Transfer Books will remain closed from 16th September, 2013 to 22nd September, 2013, both days inclusive. The Annual General Meeting of the Company will be held on 24th September, 2013

#### **BUSINESS OPERATIONS**

#### **OVERSEAS INVESTMENTS/ACQUISITIONS**

Your Company has 2 (Two) Wholly Owned Subsidiaries namely Bang Europa S. R. O. at Slovakia and Bang HK Limited at Hong Kong in order to expand its business activities. Also, in order to establish a place in International Market by way of formation and acquisition of business set up abroad, Bang HK Limited has incorporated its Subsidiary known as "Bang & Scott LLC" at Macedonia and is planning to remit money to the subsidiary towards its Share Capital.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the applicable Accounting Standards AS 21 on Consolidated Financial Statements read with AS 23 on Accounting of Investments in Associates, your Director's provide the Audited Consolidated Financial Statements in this Annual Report.

Business Outlook, Operations and Performance are discussed in detail in the Management Discussion & Analysis forming a part of this Report and have not been incorporated here to avoid repetition.

#### **SUBSIDIARY COMPANIES**

Your Company has following subsidiaries during the year under review:

- 1. Vedanta Creations Limited
- 2. Bang Europa S.R.O
- 3. Bang HK Limited
- 4. Bang & Scott LLC (Step Down Subsidiary)
- 5. A.S. Raiment Pvt Ltd.

In terms of the general exemption granted by the Central Government vide their General Circular No.2/2011 dated 8th February 2011 under Section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company and that of the respective Subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

#### **DIRECTOR'S**

During the year, Mr. Venugopal Bang, Chairman, resigned from the Board of Directors w.e.f. 14th Febraury, 2013 and Mr. Viswanath Cheruvu, Independent Director, resigned from Board of Directors w.e.f 21st November 2012 and Mr. Subrata Kumar Dey, Mr. Raghvendra Bang and Mr. Purshottam Bang were appointed as Additional Directors w.e.f 14th February 2013. As per Section 260 of the Companies Act, 1956, Mr. Subrata Kumar Dey, Mr. Raghvendra Bang and Mr. Purshottam Bang who are Additional Directors, will cease to hold the office of the Director at the conclusion of the fourthcoming Annual General Meeting. As per Section 257 of the Companies Act, 1956, the Company has recived notices along with deposits from the members proposing the canditatures for the offices of Director of the Company. None of the Directors of the Company is disqualified under Section 274(1)(g) of the Companies Act, 1956. In terms of the provisions of Section 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Mithilesh Kumar Sinha retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

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

Management Discussion and Analysis of the financial condition and results of the operations of the Company for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges., is presented in a separate section forming part of the Annual Report.

#### STATUTORY AUDITORS

M/s. Rajendra K. Gupta & Associates, Chartered Accountants holds office up to conclusion of Annual General Meeting. The Board recommends the re-appointment of M/s. Rajendra K. Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of Annual General Meeting until the conclusion of next Annual General Meeting.

#### **AUDITOR'S REPORT**

The observations made in the Auditor's Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best corporate governance practices as prevalent globally.

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A Report on the Corporate Governance and Practicing Company Secretary's Certificate on Compliance of Corporate Governance are annexed as a part of this Annual Report for the information of the Shareholder's. The Company has also obtained the requisite certificate from the Managing Director of the Company. The Managing Director's declaration regarding Compliance with Company's Code of Conduct for Directors and Senior Management Personnel forms a part of the Report on Corporate Governance.

#### **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with (Particulars of Employees) Rules 1975 as amended, the names and other particulars are required to be set out in the Annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### **FIXED DEPOSITS**

Your Company has not accepted any Fixed Deposits during the year and as such, no amount of principal or interest was outstanding as on date of Balance Sheet.

#### **LISTING**

At present, the Company's Equity Shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the Company has paid the Listing fees to the above Exchanges for the year 2013-14.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988 is given by way of Annexure I to this Report.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earnings and outgo is stated in Notes forming part of the Financial Statements.

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

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that-

- 1. In preparation of the Annual Accounts for the financial year 2012- 2013, the applicable accounting standards have been followed.
- 2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonableand 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 and of the profit or loss of the company for that period.

### BANG OVERSEAS Ltd.

- 3. 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.
- 4. The Directors had prepared the Annual Accounts on a going concern basis.

#### TRANSFER OF UNPAID / UNCLAIMED AMOUNTS TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

During the year, there were no amounts which remained unpaid / unclaimed for a period of 7 years and which were required to be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

#### **ACKNOWLEDGEMENT**

The Director sincerely appreciates the contributions made by all the employees, associates and business partners who have contributed towards the success of the Company. The Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.

For and on behalf of the Board of Directors.

Sd/-BRIJGOPAL BANG CHAIRMAN & MANAGING DIRECTOR

PLACE: Mumbai

**DATE: August 12, 2013** 

#### ANNEXURE I TO THE DIRECTOR'S REPORT

Statement pursuant to Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors ) Rules , 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

#### (A) Conservation Of Energy

The Company is constantly taking all necessary steps to minimize energy consumption as the Company has been very conscious about the need for conservation of energy.

Disclosure of Particulars with respect to Conservation of Energy

#### "FORM A"

1. Elec	tricity	2012- 2013	2011-2012
(a)	Purchased		
	Unit	630981 Units	270570 units
	Total Amount	Rs.40,64,635/-	Rs15,83,054/-
	Rate/unit	6.44/- Per Unit	5.8508/- per unit
(b)	Own generation		
	i) Through Diesel generator unit		
	Unit	19957 units	12040 units
	Units per ltr. Of Diesel Oil	2.56 units per ltr	3 units per ltr
	Cost/ unit	Rs.17.02	Rs.14.946
	Cost/ unit	(Rs.3,39,761/19957 units)	(Rs 1,79,953/12040 units)
	ii) Through Steam turbine/ generator	Nil	Nil
	Units	Nil	Nil
	Units per ltr. of fuel oil/ gas	Nil	Nil
	Cost/ units	Nil	Nil
2. Coa	l (Bio Fuel)		
	Quantity (tonnes)	60.690 Kgs	54910 kg
	Total Cost	Rs.303811.00	Rs.236490.00
	Average Cost	Rs 5006/- Per tone	4300/- per tones
3. Fur	nace Oil		
	Quantity	Nil	Nil
	Total Amount	Nil	Nil
	Average rate	Nil	Nil
4. Oth	ers / internal generation		
	Quantity	Nil	Nil
	Total Cost	Nil	Nil
	Rate/ unit	Nil	Nil

#### (B.) Consumption per unit of production

	Standards (if any)	Current year	Previous year
Electricity (generated)	-	0.80 unit per piece	0.73 KWH per piece
Furnace oil	-	NIL	NIL
Coal (specify quantity)	-	0.00021 ton per piece	0.00016 ton per piece
Others (specify)	-	NIL	NIL

#### (i) TECHNOLOGY ABSORPTION & ADOPTION

The Company is constantly taking steps to upgrade the technology so as satisfy its clients with the better quality merchandise thereby saving its time so that the same can be used more efficiently.

The Company believes in providing the finest products with utmost satisfaction to its clients so it has always used advanced technology machines and advanced techniques in its day to day operations.

#### (ii) RESEARCH & DEVELOPMENT AND INNOVATION

It is the Company's constant endeavor to be more efficient and effective planning of construction activities for achieving and maintaining the highest standard of quality.

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is in the business of Exports and strongly promotes export related activities incessantly.

(Rs. In Lakhs)

		2012-13	2011-12
i)	Foreign Exchange Earned	10,981.40	2248.32
ii)	Foreign Exchange Used	11,143.03	6917.73

#### **CORPORATE GOVERNANCE**

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance essentially is the system by which Companies are directed and controlled by the management the best interest of the stakeholders and others. In other words, it involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. It is the way of life, rather than mere legal compulsion. It furthers investor's confidence and commitment to the Company.

#### **Principle Characteristics of Corporate Governance are:**

- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social Responsibility

The policies and guidelines of Corporate Governance have been implemented in all facets of your Company's operations to build up an environment of trust and confidence amongst the stakeholders of the Company. Bang Overseas Ltd. believes in professional Management of its business which ensures that decision making powers vested in executive management are used to meet stakeholders' aspiration and social expectations. It also ensures total transparency and complete accountability. The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

#### 2. BOARD OF DIRECTORS

#### a) Composition

Presently, the Company has 6 (six) Directors. Among the 6 Directors, the Company has a Managing Director and 2 Executive Directors. The Board has 3 Non- Executive, Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. All the Directors are appointed or re-appointed with the approval of the shareholders. The Independent Directors on the Board are highly experienced and competent persons from their respective fields. The Independent Directors take active part at the Board Meetings and Committee Meetings which add value in the decision making process of the Board of Directors. All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

Category	Name of the Director
Promoter / Managing Director	Mr. Brijgopal Bang
Executive Director	Mr. Raghvendra Bang
Executive Director	Mr. Purshottam Bang
Non Executive and Independent Director	Dr. Mithilesh Kumar Sinha
Non Executive and Independent Director	Mr. Vijay Ajgaonkar
Non Executive and Independent Director	Mr. Subrata Kumar Dey

Pursuant to the provisions of the Companies Act 1956, Dr. Mithilesh Kumar Sinha retire by rotation and being eligible, offer himself for re-appointment.

None of the Directors on the Company's Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding the Committee positions held by them in other Companies. Also none of the Directors on the Board hold office as a Director in more than 15 companies at a time.

The requisite information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board for their discussion and consideration. The maximum time gap between two Board Meetings did not exceed 4 months.

#### b) Board Procedure

For every Board Meeting, the agenda papers along with explanatory notes are circulated in advance to the Board Members. The Company places before the Board, the Minutes of Committees of the Board and all other information as may be required including those specified under clause 49 of the Listing Agreement.

#### c) Number of Board Meetings

During the year, Eight Board Meetings were held. These were on 15th May, 2012, 30th May 2012,14th August 2012,27th August 2012, 12th November, 2012, 21st November, 2012, 12th January, 2012 and 14th February, 2013.

#### d) Director's Attendance Record and Directorships

Name of Director	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	No. of directorships of public limited companies
Mr. Brijgopal Bang	Chairman and Managing Director	8	8	Yes	3
*Mr. Purshottam Bang	Executive Director	8	1	No	2
*Mr. Raghvendra Bang	Executive Director	8	1	No	2
Dr. M. K. Sinha	Non Executive & Independent Director	8	6	No	7
Mr. V. D. Ajgaonkar	Non Executive & Independent Director	8	6	Yes	7
*Mr. S.K. Dey	Non Executive& Independent Director	1	1	No	2
*Mr.Venugopal Bang	Chairman	7	7	Yes	-
*Mr. Viswanath Chervu	Non Executive& Independent Director	7	0	No	-

<sup>\*</sup> Due to the resignation of Mr.Venugopal Bang(Chairman) and Mr.Viswanath Chervu(Independent Director), the Board of the Company has been reconstituted by an appointment of Mr. Raghvendra Bang(Executive Director), Mr. Purshottam Bang (Executive Director) and Mr. Subrata Kumar Dey (Non executive and Independent Director).

#### e) Information Supplied to the Board

Amongst others, information supplied to the Board includes:

- Quarterly Results of the Company and its Operating Divisions,
- Minutes of Meetings of Audit Committee and other Committees of the Company,
- Minutes of the Previous Board Meetings of its Subsidiary Companies,
- Details with respect to the Operations of the Subsidiary Companies,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- ny materially relevant default in financial obligations to and by the company,
- Non-payment for goods sold by the company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Sale of material nature of investments, subsidiaries, assets, which is not in 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; and
- Non-compliance of any regulatory, statutory or listing requirements,
- Details of the Investments made in the Subsidiaries abroad,
- Related Party Transactions and Register u/s 301 of the Companies Act, 1956,
- Investor Grievances and Redressal Status,
- Compliance of the SEBI (SAST) Regulations from time to time,

- Risk Assessment & Minimization Procedures,
- Internal Audit Certificate,
- Abstracts of Circular Resolutions passed,
- Performance of the Company and Business Plans /Strategies

The Board is presented with detailed notes along with the Agenda papers giving in detailed and comprehensive information on the related subject well in advance of the Meeting.

#### f) Directors with Materially Pecuniary or Business Relationship with the Company

There have been no materially pecuniary transactions or relationship between the Company and its Non-Executive and/or Independent Directors during the year 2012-13.

#### g) Post – Meeting Governance

The Company follows a Post-Meeting Governance System wherein effective post-meeting follow-up, review and reporting process on the actions taken, discussions on the tasks to be undertaken as per the meeting, Status of the pending tasks as decided and discussed in the Meeting, Application of the Recommendations/Suggestions as extended at the Board Meeting and working on the rectification of mistakes, if any, pointed out at the Meeting is undertaken.

also, the Minutes of the Meetings of the Board and its Committees are individually circulated to all the Directors and after due discussions, confirmed at the subsequent Meeting. The Minutes of the Board Meetings of the Subsidiary Companies are also circulated to all Directors for discussion at the subsequent Board Meeting of the Company.

#### 3. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct (Copy available on the Company's Website), applicable to all Board Members and Senior Management Personnel of the Company ("Directors" and "Officers" of the Company). All the Directors & Officers have confirmed compliance with the aforesaid Code of Conduct. A Declaration by Managing Director affirming the Compliance with the Code of Conduct by the Directors & Officers of the Company is annexed at the end of this Report.

#### 4. AUDIT COMMITTEE

#### a) Composition

The Company has an Independent Audit Committee presently comprising of Mr. S. K. Dey, Mr. Mithilesh. K. Sinha, and Mr. Vijay Ajgaonkar as Members of the Committee all being learned and experts having adequate knowledge in the field of finance. The Committee had met 5 times during the year on 15th May, 2012, 14th August, 2012, 27th August, 2012, 12th November, 2012 and 14th Febraury 2013 respectively. The Audit Committee is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Company Secretary acts as the Secretary to the Committee and attended all the meetings of the Audit Committee. Minutes of each Audit Committee are placed and discussed in the next meeting of the Board.

The Audit Committee of the Company consists of qualified and Non-Executive Directors.

Sr. No.	Name of the Director	Designation
1	Dr. Mithilesh Kumar Sinha, Non-Executive Independent Director	Chairman
2	*Mr. Subrata Kumar Dey, Non-Executive Independent Director	Member
3	Mr. Vijay Ajgaonkar, Non-Executive Independent Director	Member

<sup>\*</sup>Due to the Resignation of Mr.Viswanath Cheruvu, Director of the Company, Audit Committee has been reconstituted by an appointment of Mr. Subrata Kumar Dey, as a Member of the Committee.

All the members of the Audit Committee possess strong accounting and financial management expertise.

#### b) Roles and Responsibilities of Audit Committee

#### The role of the audit committee includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - I. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - II. Changes, if any, in accounting policies and practices and reasons for the same.
  - III. Major accounting entries involving estimates based on the exercise of judgment by management.
  - IV. Significant adjustments made in the financial statements arising out of audit findings.
  - V. Compliance with listing and other legal requirements relating to financial statements.
  - VI. Disclosure of any related party transactions.
  - VII. Qualifications in the draft Audit Report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### c) Meetings and Attendance during the year 2012-13

Audit Committee met 5 (Five) Times during the year 2012-2013 on 15th May, 2012, 14th August, 2012, 27th August, 2012, 12th November, 2012 and 14th February, 2013 and the Attendance record is as per the table given below:

Name of the Director	Number of Meetings	Meeting/s Attended
Mr. S. K. Dey	1	1
Dr. Mithilesh Kumar Sinha	5	5
Mr. Vijay Ajgaonkar	5	5
Mr Viswanath Cheruvu	4	0

At the Invitation of the Company, the Managing Director and the Executive Director representatives from various Divisions of the Company and Internal Auditor also attended the Audit Committee meetings to respond to queries raised at the committee meetings.

#### d) Internal Auditors

The Company re-appointed FRG &Company, Chartered Accountants, as the Internal Auditors for the financial year 2012-13 to

review the Internal Control Systems of the Company and to report thereon. The Report of the Internal Auditor is reviewed by the Audit Committee.

#### 5. SHARE TRANSFER CUM SHAREHOLDERS'/INVESTOR'S GRIEVANCE COMMITTEE

The Shareholders/Investor Grievance Committee of the Company was constituted pursuant to Clause 49 of the Listing Agreement by the Board of Directors presently consisting of following members:

#### a) Composition

The Committee comprises of the following members:

Sr. No.	Name	Designation
1	Mr. V. D. Ajgaonkar, Independent Director	Chairman
2	Mr. Brijgopal Bang, Managing Director	Member
3	*Mr. Raghvendra Bang, Executive Director	Member

<sup>\*</sup>Due to the Resignation of Mr. Venugopal Bang ,Director of the Company,Sharholder/Investor Grievance Committee has been reconstituted by an appointment of Mr. Raghvendra Bang, as a Member of the Committee.

#### b) Terms of Reference

The Share Transfer cum Shareholders'/Investor's Grievance Committee particularly ensures the efficient Transfer / Transmission of Shares and Debentures, Redressal of Shareholder and Investor Complaints, Issue of Duplicate / Split / Consolidated Share Certificates.

#### c) Meetings of the Committee for 2012-2013

Share Transfer cum Shareholders'/Investor's Grievance Committee met 4 (Four) Times during the year 2011-12 on 15th May, 2012, 14th August, 2012, 14th November, 2012 and 14th February, 2013 and the Attendance record is as per the table given below:

Name of the Director	No. of Meetings	Meeting/s Attended
Mr. V. D. Ajgaonkar	4	4
Mr. Brijgopal Bang	4	4
Mr.Venugopal Bang	3	3
Mr. Raghvendra Bang	4	1

#### d) Complaints

Details of Investor Complaints received during the financial year ended 31st March 2013 are as follows:

Nature of Complaint Received	Beginning of year	Received During The year	Resolved During the year	Pending at the end of year
Non-receipt of Electronic credit	0	0	0	0
Non-receipt of Refund Order	0	0	0	0
TOTAL	0	0	0	0

#### 6. REMUNERATION COMMITTEE

#### a) Composition:

As recommended under Clause 49 of the Listing Agreement, the Company has constituted the Remuneration Committee presently comprising of Independent Directors.

The Remuneration Committee of the Board consists of the following Directors:

Sr. No.	Name	Designation
1	Dr. Mithilesh Kumar Sinha, Non-Executive Independent Director	Chairman
2	Mr. Vijay Ajgaonkar, Non-Executive Independent Director	Member
3	*Mr. S.K.Dey, Non-Executive Independent Director	Member

<sup>\*</sup>Due to the Resignation of Mr. Viswanth Cheruvu , Director of the Company, Remuneration Committee has been reconstituted by an appointment of Mr. Subrata Kumar Dey, as a Member of the Committee.

#### b) Terms of Reference:

The Remuneration Policy of the Company for managerial personnel is primarily based on the performance of the Company and track record, potential and performance of individual managerial personnel. The Remuneration Committee recommends to the Board the compensation package of the Executive Directors of the Company. The remuneration of the Executive Directors is within the ceilings laid down under Schedule XIII of the Companies Act, 1956. Since the appointment of the Executive Directors is by virtue of their employment with the Company, their service contract, notice period and sitting fees, if any, is governed by the remuneration policy of the Company.

#### c) Meeting:

During the year 2012-13, The Meeting of Remuneration Committee was held on March 27, 2013.

#### d) Remuneration:

During the financial year 2012-13, Remuneration paid to the Directors is as follows:

(In Rs.)

Name of the Director	Sitting Fees	Salaries and perquisites	Commission	Total
Mr. Brijgopal Bang	-	34,80,000	-	34,80,000
Mr. Raghvendra Bang	-	-	-	-
Mr. Purshottam Bang	-	-	-	-
Mr. Vijay Ajgaonkar	-	-	-	-
Mr. Mithilesh Kumar Sinha	60,000	-	-	60,000
Mr. Subrata Kumar Dey	5,000	-	-	5,000
Mr. Vijay Ajgaonkar	30,000	-	-	30,000
Mr. Mithilesh Kumar Sinha	60,000	-	-	60,000
Mr. Subrata Kumar Dey	5,000	-	-	5,000
Mr.Viswanath Cheruvu	-	-	-	-
Mr.Venugopal Bang	-	-	-	-

#### e) Remuneration Policy:

The Remuneration Policy approved by the Board of Directors, inter alia, provides that the Salary & Commission to Executive Directors and Sitting Fee & Commission to Non- Executive Directors should not exceed the limits as prescribed under the Companies Act, 1956.

No Sitting Fee to be paid to Executive Directors for attending the Board / Committee Meetings.

#### 6. GENERAL BODY MEETINGS

#### a) Date, time and venue for the last three Annual General Meetings (AGM)

Financial year	Date	Time	Venue
2009-10	30/09/2010	10.00 A.M.	MaheshwariBhavan, 603, Jagannath Shankar Sheth Road, Mumbai- 400 002
2010-11	30/09/2011	9.45 A.M.	MaheshwariBhavan, 603, Jagannath Shankar Sheth Road, Mumbai- 400 002
2011-12	30/09/2012	9:00 A.M.	Garware Club House, Wankhede Stadium, Banquet Hall, 2nd Floor, "D" Road, Churchgate, Mumbai-400 020

#### b) Details of the Special Resolutions passed in the previous three AGMs

#### **Special Resolutions**

AGM held on September 30, 2010: No Special Resolution was passed.

**AGM held on September 30, 2011:** At this Meeting, 2 (Two) Special resolutions were proposed, seconded and passed with more than three-fourths majority on show of hands. First resolution was with regard to the re-appointment of Mr. Brijgopal Bang, Managing Director of the Company for a period of five years with effect from 01/12/2011 to 30/11/2016 and the second

resolution was regarding the reallocation of the unutilized issue proceeds of Rs. 2965 lakhs in part or in full.

**AGM held on September 30, 2012:**At this Meeting 1(One) Special resolution was passed regarding increase of remuneration of Mr. Brijgopal Bang, Managing Director of the company.

#### (b) Postal Ballot

No resolutions were required to be passed through Postal Ballot last year. Presently, there are no proposals to pass any Resolution by means of Postal Ballot.

#### 7. DISCLOSURES

#### a) Materially Significant Related Party Transactions

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, within its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

#### b) Status of regulatory compliances

The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets 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.

#### c) Insider Trading Code

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a code of conduct for prohibition of Insider trading. The Code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company

#### d) Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[IV] [F] of the Listing Agreement.

#### e) Insider Trading Policy

As per the Company's Insider Trading Policy and it's Code of Conduct, it observes a 'quiet period' from seven days prior to the event leading to / generating price sensitive information till 24 hours after the publication of such price sensitive information. The Company may also announce 'quiet period' during and after the occurrence of certain events as mentioned in the Insider Trading Policy and the Code of Conduct of the Company.

The Company is strictly monitoring its Insider Trading Policy.

#### 8. MEANS OF COMMUNICATION

- Quarterly results: Quarterly Results are published in accordance with the provisions of the Listing Agreement. The Results
  are published in English newspaper in Marathi newspaper
- Website:BOL has its own web-site and all vital information relating to the Company and its performance, including Quarterly Results, Shareholding Patterns, Annual Reports, Code of Conduct and Official News Releases is put on the company's website for the benefit of the public at large.

#### The Company's Web-site Address is www.banggroup.com.

- No formal presentations were made to the institutional investors and analysts during the year under review.
- Management Discussion and Analysis Report forms a part of this Annual Report.

#### 9. ADDITIONAL SHAREHOLDER INFORMATION

#### a) Annual General Meeting

Date: Tuesday, 24th September, 2013 at 9:30 am.

Venue : Maheshawari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai - 400 002

#### b) Financial Calendar (2012-13)

First Quarterly Results - Up to 14th August, 2012

Second Quarterly Results - Up to 14th November, 2012

Third Quarterly Results - Up to 14th February, 2013

Fourth Quarterly Results - Up to 14th May, 2013

#### c) Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 16th September, 2013 to Sunday, 22nd September, 2013 (both days inclusive).

#### d) Dividend payment date

Not applicable

#### e) Listing

At present the Company's Equity Shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the Company has paid the Listing fees to the above Exchanges for the year 2013-2014.

#### **Stock Codes**

BSE: 532946 (Scrip Code) BANG (Scrip ID)

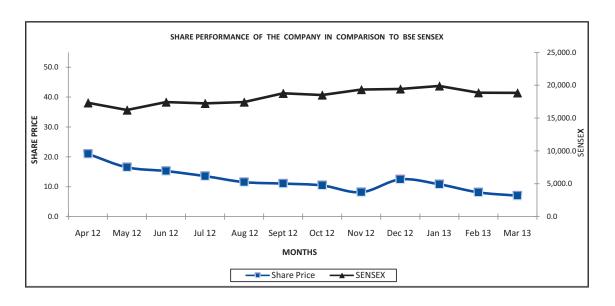
■ NSE : BANG (Symbol)

■ Demat ISIN No. for NSDL and CDSL - INE863I01016

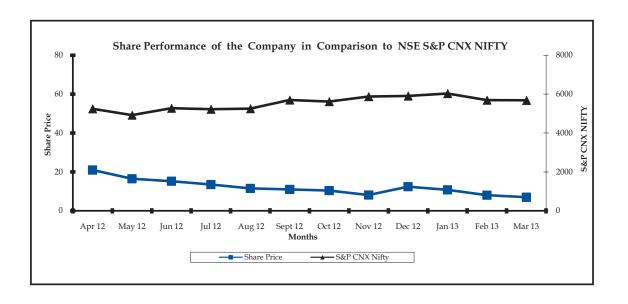
#### f) Stock Data

The Table below gives the Monthly High and Low Prices and Volumes of the Company's Equity Shares at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), Mumbai for the year 2012-13:

	BANG OVERSEAS LIMITED					BSE SENSEX	
Date	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr 12	16.25	14.75	14.98	22452	17664.10	17010.16	17318.81
May 12	18.79	14.75	15.00	27158	17432.33	15809.71	16218.53
June 12	17.25	14.10	15.99	21770	17448.48	15748.98	17429.98
July 12	21.75	16.00	16.65	39053	17631.19	16598.48	17236.18
Aug 12	18.00	15.20	15.75	10319	17972.54	17026.97	17429.56
Sept 12	20.40	15.05	20.10	31732	18869.94	17250.80	18762.74
Oct 12	22.50	16.95	19.60	136381	19137.29	18393.42	18505.38
Nov 12	22.00	18.05	18.40	37322	19372.70	18255.69	19339.90
Dec 12	26.40	17.50	25.50	248730	19612.18	19149.03	19426.71
Jan 13	25.95	18.60	20.00	60327	20203.66	19508.93	19894.98
Feb 13	20.00	16.25	17.35	19553	19966.69	18793.97	18861.54
Mar 13	17.00	12.75	14.00	36797	19754.66	18568.43	18835.77



	BANG OVERSEAS LIMITED				N:	SE S & P CNX Nif	ty
Date	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr 12	15.95	14.05	15.20	3066	5262.15	5201.45	5248.15
May 12	15.10	15.10	15.10	9	4949.25	4883.55	4924.25
June 12	16.35	15.55	16.00	478	5286.25	5189.00	5278.90
July 12	16.15	16.15	16.15	5	5234.55	5154.05	5229.00
Aug 12	15.35	15.35	15.35	1	5303.25	5238.90	5258.50
Sept 12	20.90	19.85	20.20	1823	5735.15	5683.45	5703.30
Oct 12	20.40	19.05	19.80	9950	5624.40	5583.05	5619.70
Nov 12	18.70	18.00	18.25	352	5885.25	5827.85	5879.85
Dec 12	25.75	24.80	25.75	2022	5919.00	5897.15	5905.10
Jan 13	19.00	18.05	18.15	325	6058.05	6025.15	6034.75
Feb 13	14.05	14.05	14.05	208	5849.90	5671.90	5693.05
Mar 13	14.00	13.50	14.00	255	5692.95	5604.85	5682.55

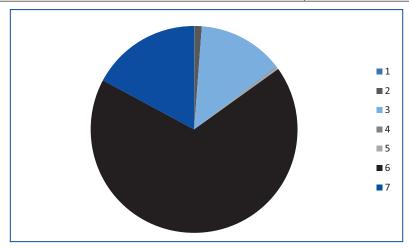


#### h) Shareholding Pattern

The Table below gives the pattern of Shareholding by ownership and share class respectively:

#### a. Shareholding Pattern by ownership as on 31st March, 2013

	SHARE HOLDING PATTERN AS ON 31/03/2013					
Sr. No.	Category	No. of Shares	% Equtiy			
1	CLEARING MEMBERS	5831	0.04			
2	FRACTIONAL SHARES	155890	1.15			
3	ниғ	1822599	13.44			
4	BODIES CORPORATES	19607	0.14			
5	NON RESIDENT INDIANS	41780	0.31			
6	PROMOTERS AND PROMOTER GROUP	9190986	67.78			
7	RESIDENT INDIVIDUALS	2323307	17.13			
	Total	13560000	100.00			



#### b. Pattern of shareholding by share class as on 31st March, 2013

Sr. No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	4903	86.56	6564750.00	4.84
2	5001 - 10000	380	6.71	3122340.00	2.30
3	10001 - 20000	167	2.95	2543550.00	1.88
4	2000 - 30000	51	0.90	1277270.00	0.94
5	3000 - 40000	28	0.49	1013490.00	0.75
6	40001 - 50000	29	0.51	1400470.00	1.03
7	50001 - 100000	41	0.72	3116660.00	2.30
8	100001 & ABOVE	65	1.15	116561470.00	85.96
	Total	5664	100.00	135600000.00	100.00

#### i) Dematerialisation

The Company's Equity Shares are under compulsory Demat trading. The ISIN of the Scrip is INE863I01016.

As on 31st March, 2013, Dematerialized shares accounted for 98.94% of the Total Equity.

Karvy Computershare Private Limited, the Registrars & Transfer Agents handles the Physical Share Transfer related work and Electronic connectivity as well.

#### j) Registrar and Share Transfer Agents

M/s. Karvy Computershare Private Limited has been appointed as one-point agency, for dealing with shareholders, to handle the Physical Share Transfer related work and for Electronic Connectivity as per the directives of SEBI. The Company's Equity Shares are traded at the Stock Exchanges compulsorily in Demat mode. For transfer of shares in physical form, the Company has introduced transfer cum demat facility to avoid unnecessary mailing of certificates. Certificates duly transferred are returned to those, who opt to receive certificates in physical form. There are no legal proceedings against the Company on any share transfer matter.

Shareholders correspondence should be addressed to the Company's Registrar & Share Transfer Agent at the address mentioned below:

#### **Karvy Computershare Private Limited**

Plot no. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad – 500081

Tel: (91 40) 44655000 Fax: (91 40) 2343 1551

E-mail: einward.ris@karvy.com Website: www.karvy.com

Contact person: Mr. P.A. Varghese

#### k) Investor Correspondence Address

Shareholders can contact the Company Secretary for share/secretarial related matters of the Company at the below mentioned address:

#### **Secretarial Department:**

Ms. Nishi Vijay Vargiya Company Secretary & Compliance Officer

**Bang Overseas Limited** 

405-406, Kewal Industrial Estate, 4thFloor, SenapatiBapatMarg, Lower Parel (W), Mumbai -400 013, India

Tel.: 022- 66607965 Fax: 022-66607970

E-mail: cs@banggroup.com

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

#### **INDUSTRY OVERVIEW**

The Indian textile industry is one the largest and oldest sectors in the country and among the most important in the economy in terms of output, investment and employment. The sector employs nearly 35 million people and after agriculture, is the second-highest employer in the country. Its importance is underlined by the fact that it accounts for around 4% of Gross Domestic Product, 14% of industrial production, 9% of excise collections, 18% of employment in the industrial sector, and 16% of the country's total exports earnings. With direct linkages to the rural economy and the agriculture sector, it has been estimated that one of every six households in the country depends on this sector, either directly or indirectly, for its livelihood.

A strong raw material production base, a vast pool of skilled and unskilled personnel, cheap labour, good export potential and low import content are some of the salient features of the Indian textile industry. This is a traditional, robust, well-established industry, enjoying considerable demand in the domestic as well as global markets. (sourced by website of Ministry of Textile)

#### INDIAN TEXTILE AND APPEAL INDUSTRY SIZE

During the year 2012-13, Ready made Garments account for almost 39% of the total textiles exports. Apparel and cotton textiles products together contribute nearly 74% of the total textiles exports. The total textile exports during 2012-13 (P) were valued at Rs 172494.71 crore as against Rs 159570.55 crore during the financial year 2011-12, registering an increase of 8.10 percent in rupee terms. However, in US dollar terms, the same was valued at US\$31705.53 million (2012-13) as against US\$33310.21 million during the corresponding period of financial year 2011-12 registering a decline of 4.82 percent. Production of manmade fibre during 2010-11 amounted to 1284.64 million kg. as compared to 1268.04 million kgs during the previous year constituting an increase of 1.31%. The percentage increase / decrease in production of polyester staple fibre, acrylic staple fibre and polypropylene staple fibre during 2010-11 were 2.77%, (-) 12.74% and 11.28% respectively as compared to 2009-10. The production of man-made filament yarn during 2010-11 amounted to 1549.80 million kg in comparison to 1522.72 million kg during the previous year constituting an increase of 1.78%. The percentage increase / decrease of nylon filament yarn, polyester filament yarn and polypropylene filament yarn during the period were 10.25%, 1.91% and (-11.16%)

#### FINANCIAL OVERVIEW

(sourced by website of Ministry of Textile)

#### **SALES**

#### **STAND ALONE**

During the year under review, the Company achieved revenue of Rs.23659.28Lacs as against Rs.13723.79Lacs in previous year i.e. increase by 72.36% for the corresponding previous year.

#### **CONSOLIDATED**

During the year under review, the Company achieved revenue of Rs.27196.66Lacs as against Rs.17612.85Lacs in previous year i.e. increase by 54.41% for the corresponding previous year.

The growth has been recorded on the back of its experience, innovation, aggressive marketing strategies, increased no. of customer touch-points, superior quality product offerings and an expanded customer base.

#### **EBIDT**

#### STAND ALONE

During the financial year, the EBIDT to the tune of Rs. 912.21 lacs as against EBIDT of Rs. 632.78 lacs for the corresponding previous financial year i.e increase of 44.16% to the corresponding previous year.

#### **CONSOLIDATED**

During the financial year, the EBIDT to the tune of Rs. 1037.26 lacs as against EBIDT of Rs.704.96 lacs for the corresponding previous financial year i.e increase of 47.13% to the corresponding previous year.

#### **PAT**

#### **STAND ALONE**

The Net Profit after Tax to the tune of Rs.101.55lacs as against Net Profit of Rs. 22.82 lacs for the corresponding previous financial year i.e increase of 345% for the corresponding previous year.

#### **CONSOLIDATED**

The Net Profit after Tax to the tune of Rs.130.85lacs as against Net Profit of Rs. 11.54 lacs for the corresponding previous financial year i.e increase of 1033.88% for the corresponding previous year.

#### **OUTLOOK**

With recent reforms introduced in the Budget 2013-14, outlook for the textiles industry looks optimistic. These reforms will provide support to the industry in the form of technology upgradation and increasing competitiveness. However, in consideration to fluctuation in exchange rate and non clarity in government policy, the management of the Company is more keen to develop its overseas business and international presence.

Your Company has three wholly owned subsidiaries at Hong Kong, Slovakia and at Macedonia in order to trade its garments & fabrics and establish a place in the International Market as well. During the financial year, the Company has also acquired entire stake in M/s A. S. Raiment Pvt Ltd, having a manufacturing unit at Vishakhapatnam to meet the garment demands of domestic and international.

Your Company has year by year perform well and protect the interest f its stakeholders. The reason behind the Company's performance has been its Employees' hard work and contribution, support from its shareholders, suppliers, traders, Customers' Loyalty, favorable policies and opportunities and the other parties as well and will also continue doing the same with the available factors.

#### **STRENGTH**

- 1. Availability of cheap labour and raw material in abundance
- 2. Large and diversified segment that provide wide array of products
- 3. Expertise in fabric trading by brand creation.
- 4. Large domestic market

#### **THREATS**

- 1. Competition from other developing countries, especially China.
- 2. To make balance between price and quality
- 3. Presence of many unorganised players
- 4. International labor and Environmental Laws

#### **OPPORTUNITIES**

- 1. Large, Potential Domestic and International Market.
- 2. Market is gradually shifting towards Branded Readymade Garment.
- 3. Greater Investment and FDI opportunities are available.
- 4. Large and diversified segment that provide wide array of products

#### **CHALLENGES**

- 1. High interest rates, power cost and indirect taxes
- 2. Increasing raw material costs
- 3. Stiff competition from other Asian economies like Bangladesh, Vietnam and China

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

The company has well defined and adequate internal control systems to monitor internal business process across departments to ensure efficient operations, compliance with internal policies, financial reporting, accurate reporting of financial transactions, compliance with applicable laws and to ensure that all the assets are safeguarded as well as are more productive. These internal controls are supplemented by periodic audits with management reports which are reviewed by our Audit Committee. We have a qualified and independent Audit Committee which comprises our Board of Directors. The Audit Committee reviews the adequacy and efficiency of internal controls and recommends any improvements or corrections. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the accurate reporting of financial transactions. The head of various monitoring cells, statutory auditors and internal auditors are invited to attend the Audit Committee meetings.

The Company also has an internal audit system which is conducted by an Independent firm of Chartered Accountants viz. FRG & Company, so as to cover various operations on continuous basis and regularly monitor the Internal Control Systems and their Implementation. Summarized Internal Audit Observations/Reports are reviewed by the Audit Committee on a regular basis. The finance and accounts functions of the Company are well staffed with qualified and experienced members.

#### **ENVIRONMENT & SAFETY/NATURE & SECURITY**

Your Company is highly committed to environment friendly processes and operations. Therefore, it undertakes its operations in such a manner that it does not affect the Environment in one hand and also maintains the required Environmental balance in the other hand. Your Company has always ensured the Environmental Safety, complied with the various Environmental Laws from time to time and further commits to follow the same in future.

#### **HUMAN RESOURCE- THE BIGGEST COMPETITIVE EDGE**

Your Company believes that its Employees are the backbone of the Company and the reason behind the position of your company are its Employees. The Company is in a continuous process of evaluating, training, motivating and rewarding its employees for their unstinted performance and contributions to the Company and also so that the Company also receives the same in future also.

Therefore, the total numbers of employees of the Company as on March 31, 2013 were 1028.

#### **CAUTIONARY STATEMENT**

The Statements as mentioned in this Management and Discussion Analysis Report (M&DAR) contain certain forward-looking statements within the meaning of applicable laws/ Regulations and which are quoted on basis of certain assumptions, expectations, forecasts and studies undertaken by the Company. Such Statements are "forward looking statements" which reflect the Management's intention to undertake certain actions describing their objectives and expectations with the Company as based on certain assumptions and predictions. Readers are cautioned not to place undue reliance on these forward looking statements.

Our operations and actual results are dependent on various factors within and outside the control of the Management so there are chances that they may vary from what is been quoted in this M&DAR. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations/policies and tax structure, economic developments within India and the countries with which the Company has business relations/contacts, as well as other factors such as, litigations and industrial relations.

We assume no responsibility in respect of "forward looking statements" mentioned herein which may undergo changes in future on the basis of subsequent developments, information or events. Actual results may differ from those expressed or implied herein.

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 (VII) (1) OF THE LISTING AGREEMENT:

To the Members, Bang Overseas Limited

We have examined the compliance of conditions of Corporate Governance by Thomas Scott (India) Limited ("the Company"), for the year ended 31st March 2013, as stipulated in Clause 49 (VII) (1) of the Listing Agreement with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 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 above mentioned Listing Agreement.

On the basis of the records maintained by the Company we state that as at 31st March 2013, there were no investor grievances pending with the Company.

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

#### For Kothari H & Associates

**Company Secretaries** 

Sd/-

Hitesh Kothari Place: Mumbai

Membership No.: 16982 Dated: August 12, 2013

#### CEO AND CFO CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

#### This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2012-13 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, to the best of their knowledge and belief, no transactions entered into by the company during the year which 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 or operation 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 internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they 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.

#### **For Bang Overseas Limited**

Sd/-

Brijgopal Bang Jaydas Dighe

Managing Director Chief Financial Officer

Place: Mumbai

Date : August 12, 2013

## ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49(I) (D) (ii) OF THE LISTING AGREEMENT

As per the requirements of Clause 49(I) (D) (ii) of the Listing Agreement, I, Brijgopal Bang, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2012-13.

Sd/-

Brijgopal Bang Place: Mumbai Managing Director Date: August 12, 2013

#### **INDEPENDENT AUDITOR'S REPORT**

To,
The Members of
Bang Overseas Limited

- 1. We have audited the accompanying financial statements of Bang Overseas Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.
- 2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
- 5. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
  - (a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
- 6. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the 'Order') and on such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 7. As required by Section 227 (3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

### BANG OVERSEAS Ltd.

- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on March 31,2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31,2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

#### For Rajendra K Gupta & Associates

**Chartered Accountants** 

Firm Registration No.: 108373W

Rajendra Kumar Gupta Partner Membership No. 9939

Place: Mumbai

Date: 30th May 2013

#### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 6 of our report of the even date)

#### (i) In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification:
- (c) The fixed assets disposed off during the year does not constitute a substantial part of fixed assets of the Company and such disposal in our opinion has not affected the going concern status of the Company.

#### (ii) In respect of inventories:

- (a) As explained to us, the inventories have been physically verified by the management during the year.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. No material discrepancies were noticed on the physical verification done by the management.

#### (iii) In respect of loans taken / granted:

- (a) According to the information and explanation given to us, the Company has taken unsecured loans during the year from three parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount due on such unsecured loans during the year is Rs.7, 82,64,309/- and the year end balance is Rs. 7,89,56,021/-
- (b) According to the information and explanation given to us, the Company has granted unsecured loan during the year to one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount receivable on such unsecured loan during the year is Rs. 40,08,630/- and the year end balance is Rs. 40,08,630/-
- (c) In our opinion the terms and conditions on which the loan has been taken by / granted to the Company are not prima facie prejudicial to the interest of the Company.
- (d) The Company is regular in repaying principal amount and interest as stipulated.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of it's business for the purchase of Inventory and Fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct measure weaknesses in such internal controls.

#### (v) In respect of register maintained under Section 301 of the Companies Act, 1956:

- (a) Based on the information and explanations given to us, the transaction pertaining to contracts and arrangements that need to be entered in to a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) According to information and explanation given to us, the transactions made in pursuance of such contract or

arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.5,00,000/- or more in respect of any party have been made at prices which are reasonable having regards to the prevailing market prices.

- (vi) In our opinion, and according to the information and explanation given to us, the Company has not accepted any deposit from public and therefore the provisions of Section 58 and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the Company.
- (vii) In our opinion, the internal audit functions carried out during the year by the Internal Auditor have been commensurate with the size of the Company and nature of it's business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, 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 records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax and custom duty have generally been regularly deposited with the appropriate authorities, except slight delay at few instances.

According to the information and explanation given to us, there was no undisputed amount payable in respect of statutory dues were in arrears as at 31st March, 2013 for a period of more than 6 months from the date they became payable.

According to the information and explanation given to us, there are no dues of income tax, provident fund, service tax and other material statutory dues which have not been deposited with appropriate authorities on account of any disputes.

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a nidhi / mutual benefit fund / society.
- (xiv) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments. All the Investments made by the Company are in the name of the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the records of the Company, and as per the information and explanation given to us the Company has not taken the term loan and hence provision of clause 4(xvi) of the order is not applicable.
- (xvii) Based on the information and explanation given to us and over all examination of Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.



- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) During the year, the Company has not raised any money by public issue of Equity Shares.
- (xxi) To the best of our knowledge and belief and according to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

#### For Rajendra K Gupta & Associates

**Chartered Accountants** 

Firm Registration No.: 108373W

Rajendra Kumar Gupta Partner Membership No. 9939 Place: Mumbai

Date: 30th May 2013

#### **BALANCE SHEET AS AT 31ST MARCH, 2013**

(In Rs.)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	135,600,000	135,600,000
Reserves and Surplus	3	668,245,406	658,090,592
		803,845,406	793,690,592
Non-Current Liabilities			
Long-term borrowings	4	3,178,565	4,785,823
Deferred tax liabilities (Net) (Refer Note 30)		18,590,744	8,625,448
Other Long term liabilities	5	3,819,402	3,819,402
S .		25,588,711	17,230,673
Current Liabilities			
Short-term borrowings	6	595,760,598	427,651,167
Trade payables	7	89,933,850	67,291,079
Other current liabilities	8	9,956,548	63,903,544
Short-term provisions	9	10,423,029	10,985,693
·		706,074,025	569,831,483
TOTAL		1,535,508,142	1,380,752,748
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	175,687,623	168,937,331
Intangible assets		1,848,726	1,404,928
Capital Work In progress		100,147,223	100,745,050
Non-current investments	11	31,988,272	19,958,400
Long term loans and advances	12	67,909,000	35,100,000
		377,580,844	326,145,709
Current assets			
Inventories	13	188,601,479	233,585,754
Trade receivables	14	740,324,756	500,300,507
Cash and bank balances	15	99,899,497	174,320,938
Short-term loans and advances	16	122,150,640	143,999,988
Other current assets	17	6,950,926	2,399,852
		1,157,927,298	1,054,607,039
TOTAL		1,535,508,142	1,380,752,748

Significant Accounting Policies The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rajendra K. Gupta & Associates **Chartered Accountants** 

Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No. 9939 Place: Mumbai Date: 30th May 2013 For and on behalf of Board of Directors

Bang Overseas Ltd.

**Brijgopal Bang** 

Chairman & Managing Director

V. D. Ajgaonkar Director

1

Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Place : Mumbai Date: 30th May 2013

#### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(In Rs.)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
INCOME			
Revenue from operations Less: Excise Duty	18	2,376,103,424 17,235,101	1,400,521,745 36,185,807
Net revenue from operations Other Operating Revenue	19	2,358,868,323 7,059,446	1,364,335,938 8,043,102
Other Income  Total Revenue	20	37,385,308 <b>2,403,313,077</b>	35,778,433 1,408,157,473
EXPENSES		2,403,313,077	1,400,137,473
Cost of materials consumed	21	140,525,155	188,253,371
Purchase of Stock-in-Trade Changes in inventories of finished goods, work-in-progress and	22	1,874,979,804	964,554,885
Stock-in-Trade Employee benefit expenses	23 24	26,179,858 123,605,780	(23,487,691) 107,807,054
Financial costs  Depreciation and amortization expenses	25 10	47,409,249 12,491,994	50,299,700 12,341,923
Other expenses	26	146,801,127	107,751,358
Total Expenses		2,371,992,966	1,407,520,600
Profit before exceptional and extraordinary items and tax		31,320,111	636,873
Exceptional Items		-	-
Profit before tax		31,320,111	636,873
Tax expenses: (1) Current tax (2) Deferred tax		11,200,000 9,965,296	130,000 (1,774,877)
Profit / (Loss) for the year		10,154,815	2,281,750
Earning per equity share: (Refer Note 33)			
(1) Basic (2) Diluted		0.75 0.75	0.17 0.17

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W For and on behalf of Board of Directors

Bang Overseas Ltd.

Rajendra Kumar Gupta

Partner

Membership No. 9939 **Place :** Mumbai **Date :** 30th May 2013 **Brijgopal Bang**Chairman & Managing Director

V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Place: Mumbai

Date: 30th May 2013

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(In Rs.)

		` '
Particulars	As at 31st March 2013	As at 31st March 2012
A. Cash flow from Operating Activities		
Net profit before taxation	31,320,111	636,873
Adjustments for:	5-,5-5,	555,515
Depreciation	12,491,994	12,341,923
(Profit) / Loss on sale of Fixed Assets	63,754	566,060
Sundry Balances Written back	· -	(710,474)
Prior Period	-	416,649
Exchange rate fluctuation loss/(gain)	-	(5,125,618)
Cancellation of Investment Demerger impact	-	(500,000)
Loss due to cancellation of contract (CWIP)	3,020,000	
Interest income	(15,442,883)	(21,791,153)
Dividend income	(2,210)	(2,240)
Interest expense	34,916,604	39,780,574
Operating profit before Working Capital changes	66,367,370	25,612,594
Changes in	44.004.275	476.050.035
Inventories	44,984,275	176,050,935
Trade Receivables	(240,024,249)	81,256,251
Loans and Advances & other current assets	15,228,506	122,441,643
Trade Payables, Other liabilities & provisions	(31,866,889) (145,310,987)	47,951,470
Cash generated from operations Direct taxes paid (net)	(9,082,363)	<b>453,312,893</b> (554,066)
	,	
Net Cash from Operating Activities	(154,393,350)	452,758,827
B. Cash flows from Investing activities	(40.050.477)	/26 002 270\
Purchase of Fixed Assets	(19,859,477)	(26,882,279)
Capital work-in-progress	(2,422,173)	(86,141,810)
Receipt from sale of assets	61,769	172,343
Cancellation of Investment demerger impact Purchase of Non current Investment & long term loans	(44 020 072)	500,000
Interest received	(44,838,872) 15,442,883	21,791,153
Dividends received	2,210	21,791,133
Net Cash from Investing Activities	(51,613,660)	(90,558,353)
C. Cash flows from Financing Activities		
Short Term Borrowings	168,109,431	(71,871,950)
Long Term Borrowings	(1,607,258)	(879,665)
Demerger Impact	- · · · · · · · · · · · · · · · · · · ·	(347,347,642)
Interest paid	(34,916,604)	(39,780,574)
Net cash from Financing Activities	131,585,569	(459,879,831)
Net increase in cash and cash equivalents (A + B + C)	(74,421,441)	(97,679,357)
Cash and cash equivalents at the beginning of the year	174,320,938	272,000,295
Cash and cash equivalents at the end of the year	99,899,497	174,320,938

As per our report of even date attached

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W For and on behalf of Board of Directors

Bang Overseas Ltd.

Rajendra Kumar Gupta

Partner

Membership No. 9939

Place: Mumbai

Date: 30th May 2013

**Brijgopal Bang** Chairman & Managing Director V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Place: Mumbai

Date: 30th May 2013

#### Note 1

#### **SIGNIFICANT ACCOUNTING POLICIES:**

#### 1. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects in respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which impairment is made and revaluation is carried out and derivative instruments. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in previous year.

#### 2. Use of Estimate

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

#### 3. Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of VAT recoverable. Financing costs relating to construction of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing costs not relating to construction of fixed assets are charged to the income statement.

#### Depreciation

Depreciation on the fixed assets has been provided for on straight line method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956 for the manufacturing units. Other fixed assets have been continued depreciated by following written down value method.

#### **Impairment**

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there are impairment indicators. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the WACC.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- (iii) A previously recognised impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### 4. Intangible Assets

Intangible assets include computer software and miscellaneous expenditures that are capitalized if specific criteria are met and are amortised over their useful life, generally not exceeding 5 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 5 years should be reviewed at least at each financial year end even if there is no indication that the asset is impaired.

### 5. Leases

### Where the Company is the lessee

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the company, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the P&L Account.

### 6. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

### 7. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, less provision for diminution in value other than temporary.

### 8. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on the following basis:

- (i) Raw materials and manufactured finished goods are valued at cost. Cost is determined by using average cost method.
- (ii) Trade Goods are valued at cost on FIFO basis.

### 9. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

### (i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales returns, discounts and rebates.

### (ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### (iii) Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised as income only when the right to receive dividends is established. Normally, the right to receive dividend is established only when the dividend is approved by the shareholders at the annual general meeting of the investee company.

### 10. Foreign Exchange Transaction

- (i) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.
- (iii) Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts except in respect of liability for acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

### 11. Employee benefits

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the statutory authority are due.
- (ii) Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

### 12. Current Tax and Deferred Tax

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961 and provision has not been made for the completed assessment which are pending in Appeal.
- (ii) Deferred tax resulting from timing difference between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

### 13. Earning per share

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

### 14. Cash Flow Statement

Cash flow statement is reported using the indirect method as specified in the Accounting standard (AS)-3, 'Cash Flow Statement' issued by The Institute of Chartered Accountants of India.

### 15. Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Total

### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

NOTES TO FINANCIAL STATEMENT FOR THE	<b>YEAR ENDI</b>	<b>ED 31ST M</b>	ARCH, 201	3
				(In Rs.)
Particulars		As at		As at
	319	st March 2013	31s	t March 2012
Note 2 : Share Capital				
Authorised		160,000,000		160 000 000
1,60,00,000 Equity Shares of Rs. 10/- each (Previous year 160,00,000 Equity Shares of Rs. 10/- each)		160,000,000 <b>160,000,000</b>		160,000,000 <b>160,000,000</b>
Issued, Subscribed & Paid up		125 (00 000		125 600 000
1,35,60,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 1,35,60,000 equity shares of Rs. 10/- each fully paid up)		135,600,000		135,600,000
Total		135,600,000		135,600,000
a) Towns / rights attached to Equity Shaves				
a) Terms/rights attached to Equity Shares The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.				
b) Reconciliation of Issued Share Capital	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding at beginning of year	1,35,60,000	135,600,000	1,35,60,000	135,600,000
Add: Issued During the year	-	-	-	-
Less: Brought Back During the year	-	-	-	-
Equity shares outstanding at end of year	1,35,60,000	135,600,000	1,35,60,000	135,600,000
c) Shareholders holding more than 5% of shares in the company	No. of shares	% of shares	No. of shares	% of shares
Mr. Venugopal Bang	27,06,600	19.96%	27,06,600	19.96%
Mr. Brijgopal Bang	15,21,000	11.22%	15,21,000	11.22%
Mr. Krishna Kumar Bang	13,01,700	9.60%	13,01,700	9.60%
Mr. Ramanuj Das Bang	7,74,600	5.71%	7,74,600	5.71%
d) Particulars of submission for a continuing period of five years				
Equity Shares		Year ( <i>F</i> 2012-13	Aggregate numb	per of shares) 2011-12
A) Aggregate number of shares alloted as fully paid up without		751,740		751,740
payment being received in cash		731,740		731,740
B) Aggregate number of shares alloted as fully paid bonus shares		8,505,480		8,505,480
Note 3 : Reserves & Surplus				
(a) Securities Premium Account				
Balance at the beginning of the year		597,765,138		672,774,768
Add: Current year transfer		-		-
Less: W/O purshuant to Scheme of Demerger Balance at the end of the year		597,765,138		75,009,630 <b>597,765,138</b>
balance at the end of the year		397,703,138		391,103,138
(b) Surplus in Profit Loss Statement				
Balance at the beginning of the year		60,325,453		330,381,716
Add: Current year transfer Less: W/O pursuant to Scheme of Demerger		10,154,815		2,281,750
Balance at the end of the year		70,480,268		272,338,012 60,325,454
Total		668 245 406		658 090 592

668,245,406

658,090,592

(In Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
Note 4 : Long term Borrowings		
Secured		
Car Loan	3,178,565	4,785,823
Total	3,178,565	4,785,823
<ul> <li>a) Nature of Security for Long term borrowings</li> <li>Car Loan is taken from Kotak Mahindra Prime Ltd and</li> <li>Tata Capital Ltd is secured agaisnt hypothecation of cars.</li> <li>b) There is no defualt in repayment of principal amount and interest thereon .</li> </ul>		
Note 5: Other Long Term Liabilities		
Unsecured		
Security deposits Received	3,819,402	3,819,402
	3,819,402	3,819,402
Note 6 : Short tem borrowings Secured		
Working capital loans	-	86,263,697
Buyers Credit in foreign currency	339,802,443	143,341,539
Short term loan from Ratnakar Bank Limited	27,000,000	-
Unsecured		
from Promoters & Promoter group	136,642,166	176,136,739
from Directors	25,758,544	17,265,186
from related party	66,557,446	4,644,006
	595,760,598	427,651,167

### a) Nature of Security for Short term borrowings

Working Capital loans and Buyer's Credit loans taken from Bank of India and Oreintal Bank of Commerce is secured against hypothecation of inventories, book debts and equitable mortage of immovable properties being factory land and buildings/other structures and embedded plant & machinery, and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang

Note 10 - Fixed Assets	ets									(In Rs.)
		Gross	Gross Block			Depre	Depreciation		Net E	Net Block
Particulars	as at 01/04/2012	Addition	Deduction	as on 31/03/2013	up to 01/04/2012	for the Year	Depreciation Adjustment	up to 31/03/2013	as on 31/03/2013	as on 31/03/2012
							•			
i) Tangible Assets										
727	6 604 619	250 504		COC 1/30/3					206 1303	6 604 619
Building	10 897 713	11 799 280	1	21,504,502	537 588	195 520	1	1 030 118	30 563 875	19 360 175
Factory Building	63,170,962		112,864	63,058,098	10,603,246	2,109,910	1	12,713,156	50,344,942	52,567,716
Office Equipment	4,073,504	895,632	165,688	4,803,448	1,755,365	309,894	40,165	2,025,094	2,778,354	2,318,139
Computer Systems	10,100,024	1,249,796	ı	11,349,820	7,787,134	865,285	1	8,652,419	2,697,401	2,312,890
Plant & Machinery	73,136,528	783,802	1	73,920,330	14,380,640	3,456,234	I	17,836,874	56,083,456	58,755,888
Furniture & Fixture	34,062,525	1,946,254	1	36,008,779	17,949,477	2,932,584	1	20,882,061	15,126,718	16,113,048
Motor Vehicles	11,694,424	65,143	1	11,759,567	4,294,643	1,507,468	ı	5,802,111	5,957,456	7,399,781
Leasehold	4,171,457	1,899,270	ı	6,070,727	666,331	233,171	ı	899,502	5,171,225	3,505,126
Improvements										
Total of (i)	226,908,755	18,898,761	278,552	245,528,964	57,971,424	11,910,076	40,165	69,841,335	175,687,623	168,937,331
ii) Intangible Assets										
Computer Software	2 567 504	1 025 716	1	A 593 220	2 162 576	581 018	1	7 7// /0/	1 8/8 776	1 404 928
Comparer soltware	100,100,0	T,020,1	1	4,333,220	2,102,570	016,100	1	464,447,4	1,040,1 20	1,404,320
Total of (ii)	3,567,504	1,025,716	1	4,593,220	2,162,576	581,918	1	2,744,494	1,848,726	1,404,928
Grand Total (i+ii)	230,476,259	19,924,477	278,552	250,122,184	60,134,000	12,491,994	40,165	72,585,829	177,536,349	170,342,259
Previous Year	237,188,857	26,882,279	33,594,877	230,476,259	60,630,844	12,341,923	12,838,767	60,134,000	170,342,259	1
iii) Capital Work in Progress									100,147,223	100,745,050

		(111 113.)
Particulars	As at 31st March 2013	As at 31st March 2012
Note 7. Tools Devolute	313t Water 2013	313t Waren 2012
Note 7 : Trade Payables	00 040 454	CT 404 0T0
Payables for goods & Services	89,840,161	67,191,079
Payables to Managing Director	93,689	100,000
	89,933,850	67,291,079
Note 8: Other Current Liabilities		
Statutory Liabilities	5,020,725	4,536,153
Payable for Capital Expenditures	-	1,147,829
Interest accrued but not due on loans	2,729,758	24,675,505
Payables to Subsidiary Company	-	33,013,749
Advances from customers	2,206,064	530,308
	9,956,548	63,903,544
Note 9: Short Term Provisioins		
Provision for employee benefits	10,178,426	7,964,016
Provision for gratuity	244,603	842,745
Provision for Excise Duty on finished goods		2,178,932
	10,423,029	10,985,693
Note 11 : Non Current Investments		
Non Trade - Unquoted		
Name of Company Face Value Nos.		
Saraswat Co Op Bank Ltd 10 1,000	10,000	10,000
Investment in wholly owned subsidiaries (fully paid up unless otherwise stated)		
2,84,750 (PY 2,84,750) Equity Shares of Rs. 10/- of Vedanta Creations Ltd	7,517,400	7,517,400
4,50,000 (PY NIL) Equity shares of Rs. 10/- of A.S.Raiment Private Limited	12,029,872	-
Investment of Euro 2,00,000 in Bang Europa S.R.O.	12,143,500	12,143,500
50,000 Shares of 1HK\$ each of Bang HK Limited	287,500	287,500
	31,988,272	19,958,400
Note 12 : Long term Loans and advances		
Unsecured, considered good		
Capital Expenditure Advances	67,909,000	35,100,000
	67,909,000	35,100,000
Note 42 - Inventories		
Note 13 : Inventories (As taken, Valued & Certified by the Management)		
Raw Materials and components	42,284,457	57,687,318
Work In Progress	-	3,873,840
Finished goods	11,129,781	18,723,776
Trade goods	135,187,241	153,300,820
	188,601,479	233,585,754
Note 14 : Trade Receivables		
Unsecured, considered good unless otherwise stated		
Debts outstanding for a period exceeding six months	201,461,543	248,285,194
Other Debts	424,899,703	226,189,334
Receivable from Subsidairy	34,547,635	25,816,957
Receivable from Directors & Related parties	79,415,874	9,022
	740,324,756	500,300,507

(In Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
Note 15 : Cash and Bank Balances		
Cash and Cash equivalents		
Balances with Banks		
- Current Accounts	22,219,210	102,146
- Fixed Deposit Accounts	77,288,166	173,278,712
Cash In Hand	392,122	940,080
	99,899,497	174,320,938

Balances with banks in deposit accounts includes fixed deposits aggregating to Rs. 19,64,830/- against which lien has been marked by the banks as security for guarantees issued on behalf of the Company. It also includes fixed deposits aggregating to Rs. 6,47,20,419/- earmarked as margin deposits against working capital facilities and fixed deposits aggregating to Rs. 3,00,00,000/- liened against stand by letter of credit issued to subsidiary company. Also fixed deposits aggregating to Rs. 2,00,00,000/- liened against working capital facilities of Subsidiary Company. Current Accounts balance includes Rs. 46,508 ovedraft account balance of Oriental Bank of Commerce.

Uncopyride considered good unless otherwise stated		
Unsecured, considered good unless otherwise stated Advances to employees	1 272 744	F22 400
· ·	1,373,744	522,498
Advances towards purchase of goods / services	37,829,136	60,441,412
Receivable from related parties	4,257,095	1,133,790
Advance Tax & T.D.S. (Net of provisions)	4,862,993	6,932,761
Prepaid expenses	3,073,268	4,532,167
Balances with Government authorities	3,107,411	2,664,602
Security Deposits	7,646,994	7,772,758
Deposits with financial institutions	60,000,000	60,000,000
	122,150,640	143,999,988
Note 17 : Other Current Assets		
DFIA/DFRC import licenses	6,882,224	2,367,560
Interest accrued but not due on deposits	68,702	32,292
	6,950,926	2,399,852
Nata 40 - Paragraph Capaciting		
Note 18 : Revenue from Operations Sale of Products		
- Trade Goods	4 022 454 262	000 204 442
	1,033,151,363	868,394,112
- Manufactured Goods	172,066,060	242,355,763
Export Sales	4.064.000.205	462.002.774
- Trade Goods	1,064,909,385	162,982,774
- Manufactured Goods	33,231,019	61,848,800
Jobwork Charges/Scrap Sales	82,116,008	72,037,669
Gross Sales	2,385,473,834	1,407,619,118
Less: Inter Department Transfer	9,370,411	7,097,373
Net Sales	2,376,103,424	1,400,521,745
Nata 40 - Other Oranghina Barrana		
Note 19 : Other Operating Revenue	4 007 424	4.022.702
Duty drawback/DEPB incentives	4,897,431	4,923,702
Miscellaneous income	105,135	386,535
Decrease in Excise duty provision on finished goods	2,056,880	2,556,210
Commission Received	-	176,655
	7,059,446	8,043,102

		(111113.)
Particulars	As at 31st March 2013	As at
	31St Warch 2013	31st March 2012
Note 20 : Other Income		
Interest on Deposits	15,442,883	21,791,153
Rent received	14,029,786	13,253,130
Dividend	2,210	2,240
Sundry balances written back	7,910,429	710,474
Profit on sale of fixed assets		21,436
	37,385,308	35,778,433
Note 21: Cost of Material Consumed		
Opening stock of Raw Material	61,088,874	75,256,524
Add: Purchases of Raw Material	121,720,738	170,684,165
Less: Closing stock of Raw Material	42,284,457	57,687,318
	140,525,155	188,253,371
Note 22 : Trade Purchases		
Trade Purchases	1,861,652,454	939,595,495
Jobwork charges	22,697,760	32,056,763
· ·	1,884,350,215	971,652,258
Less: Inter Department Transfer	9,370,411	7,097,373
Net Purchase	1,874,979,804	964,554,885
Note 22 - Insurance (Donnessa) in Insurantanian		
Note 23 : Increase (Decrease) in Inventories		
Opening Stock - Trade Goods	153,300,820	122,827,555
- Work -in - progress	472,284	5,540,119
- Finished Goods	18,723,776	24,043,071
(A)	172,496,880	152,410,745
		<u> </u>
Less: Closing Stock		
- Trade Goods	135,187,241	153,300,820
- Work -in - progress	-	3,873,840
- Finished Goods	11,129,781	18,723,776
(B)	146,317,022	175,898,436
(A) -(B)	26,179,858	(23,487,691)
Note 24 - Employee Componentian		
Note 24 : Employee Compensation Salaries, Wages, and Bonus	109,612,586	93,970,324
Contribution to Provident Fund and other fund	9,630,759	8,927,028
Gratuity Expenses	644,603	1,042,745
Workmen and staff welfare expenses	3,717,832	3,866,957
Workmen and stair Welfare expenses	123,605,780	107,807,054
Note 25 : Finance Expenses		
Interest On Working capital loans	8,850,374	15,084,366
Others	26,066,230	24,696,208
Bank Charges	12,492,644	10,519,126
	47,409,249	50,299,700
	<u> </u>	30,233,700

		31st March 2012
Note 26 : Other Expenses		
Power & Fuel	6,342,311	6,474,083
Freight and forwarding charges	17,508,557	15,562,963
Rent	9,881,048	11,356,240
Rates & Taxes	2,448,279	1,745,577
Insurance Charges	2,687,295	1,520,269
Repairs & Maintenance	2,007,233	1,320,203
- Plant & Machinery	1,610,989	1,150,037
- Building	159,516	212,050
- Other	1,905,723	2,249,769
Advertising	205,986	320,866
Sales Promotion	5,255,874	2,005,965
Brokerage & Sales Commission	3,138,398	4,647,332
Travelling and Conveyance Expenses	11,940,016	8,674,030
Communication Cost	2,713,905	2,545,670
Printing & Stationary	1,963,699	1,676,603
Professional and Consultancy fees	3,818,512	9,291,242
Directors Sitting fees	106,742	80,000
Remuneration to Director	3,480,000	2,400,000
Auditor's remuneration	3,480,000	2,400,000
- Audit fee	105,000	80,000
- Tax Audit fee	50,000	50,000
- Others	67,000	44,000
Loss due to cancellation of contract	3,020,000	44,000
Loss on sale of fixed Assets	63,754	587,496
Foreign Exchange (Gain) / Loss	5,928,317	11,925,138
Courier & Postage	6,086,917	3,406,743
Vehicle Expenses	670,000	829,031
Packing Material Expenses	2,576,456	1,961,372
Transportation for factory workers	1,827,124	2,889,053
Jobwork & Washing charges	1,317,537	1,466,277
Security and service charges	2,815,147	2,808,760
Discount and rebate on sales		
Bad Debts	14,267,599 29,834,371	5,654,883
Sundry Balances Written off	348,683	-
Wealth Tax	340,003	50,000
Prior Period Items (net)	- 427 252	
Miscellaneous Expenses	427,353 2,229,022	416,649 3,669,260
iviiscelialieous Lypelises	146,801,127	107,751,358

### **NOTES ON ACCOUNTS:**

### **27. Operating Lease Arrangements:**

### a. As lessee:

Rental expenses of Rs. 98,81,048/- (P.Y. Rs.1,13,56,240) in respect of obligation under operating leases have been recognized in the profit and loss account.

At balance sheet date, minimum lease payments under non-cancelable operating leases fall due as follows:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Due not later than one year	86,64,048	81,39,572
Due later than one year but not later than five years	1,24,30,276	81,27,977
Later than five years	NIL	NIL

The above figures include:

- i. Lease rentals do not include common maintenance charges, tax payable, if any.
- ii. The Company has not entered under any operating lease agreement which is not-cancelable more than five years.

### b. As lessor:

Rental Income recognized in the profit & Loss account during the year Rs. 1,40,29,786/- (Previous Year Rs.1,32,53,130) relating lease arrangements.

### 28. Employee benefit plan:

The Company has recognized Rs. 6,44,603 (PY Rs. 10,42,745/-) in the Profit and Loss Account for the year ended 31st March 2013 under defined contribution plans.

(a) Expenses recognized in Profit & Loss Account for the year ended 31 March 2013:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Current service cost	17,24,029	13,22,169
Interest cost	2,97,739	2,22,541
Expected return on Assets	(2,79,614)	(1,72,946)
Actuarial (gains) / losses	(10,97,551)	(3,29,019)
Past service cost	-	-
Net expenses	6,44,603	10,42,745

(b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2013

Particulars	31.03.2013	31.03.2012
Defined benefit obligation	44,69,514	38,59,658
Fair value of plan assets	42,24,911	30,16,913
Fund status [Surplus/(Deficit)]	(2,44,603)	8,42,745
Net Assets / (Liability)	(2,44,603)	(8,42,745)

### (c) Changes in present value of defined benefit obligation are as following:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Opening defined benefit obligation	38,59,658	25,96,744
Current service cost	17,24,029	13,22,169
Interest cost	2,97,739	2,22,541
Benefit paid	(3,22,077)	-
Actuarial (gains) / Losses	(10,89,835)	(2,81,796)
Closing defined benefit obligation	44,69,514	38,59,658

### (d) Changes in fair value of plan assets are as follows:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Fair Value of Plan Assets at the beginning of the period.	30,16,913	21,55,923
Expected Return on Plan Assets	2,79,614	1,72,946
Actuarial (gains) / Losses	7,716	47,223
Assets distributed on settlements	-	-
Actual Company Contributions less Risk Premium	12,42,745	6,40,821
Benefit Payments	(3,22,077)	-
Fair Value of the assets	42,24,911	30,16,913

### (e) The principal actuarial assumptions used in determining gratuity liability is as follows:

Assumption	31.03.2013	31.03.2012	
Discount rate	8.05%	8.57%	
Expected return on assets	8.05%	8%	
Salary Increase	7%	7%	
Withdrawal rates	5%	5%	
Mortality table	Indian Assured Lives Morta	Indian Assured Lives Mortality (2006-08) (Ultimate)	

### 29. Contingent Liabilities

Particulars	31.03.2013	31.03.2012
Bank Guarantees	17,65,000	17,65,000
Letter of credit	1,13,43,201	6,68,72,722
Export Obligation	3,04,81,689	3,65,71,097
Corporate Guarantee	-	10,00,00,000
Sales Tax declaration forms	56,19,686	11,25,798
Stand by Letter of credit	3,00,00,000	-
Total	7,92,09,576	20,63,34,617

### 30. Details of Deferred Tax assets and liabilities:

In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset on account of timing difference comprises of the following:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	1,92,70,915	95,97,729
On account of expenditure allowed u/s 43B on payment basis	19,40,920	12,35,821
On account of deduction u/s 35DD	1,04,734	99,747
Total	2,13,16,569	1,09,33,297
Deferred Tax Assets		
On account of expenses incurred on demerger	-	4,98,735
Expenditures disallowed u/s 43B	27,25,825	18,09,114
Deferred Tax Liabilities (Net)	1,85,90,744	86,25,448

31. In the opinion of the Board, sundry debtors, loans and advances and other current assets and unsecured loans are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary. Balances are subject to confirmation and reconciliation.

### **Debtors outstanding includes**

- (1) Amount of Rs.18,50,24,149/- recoverable from Koutons Retail India Ltd (KRIL). Some creditors are reported to have approached the Delhi High Court to recover their dues.
  - However, the Company is negotiating with the management of the above party for recovery of its dues. The Company is hopeful of being able to realize its entire outstanding and therefore no provision in regard thereto has been made in the accounts.
- 32. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid / payable as required under the said Act have not been given.

### 33. Earning per Share (EPS)

Particulars	31.03.2013	31.03.2012
Profit/(Loss) for the year after tax	1,01,54,815	22,81,750
Nominal value per share	10	10
Number of equity shares	1,35,60,000	1,35,60,000
EPS Excluding exceptional item	0.75	0.17
EPS Including exceptional item	0.75	0.17

### 34. Prior period expenses included under "Other expenses"

(In Rs.)

Particulars	31.03.2013	31.03.2012
Rent Expenses	2,91,305	-
Professional & Consultancy Charges	6,000	-
Income Tax of earlier year	-	7,42,428
Sales Tax liability of earlier year	17,184	38,463
Capitalisation of expenses not accounted earlier	1,12864	-
Total expenses	4,72,353	7,80,891
Less: Income		
Capitalisation of expenses accounted as revenue	-	(3,64,242)
Prior Period (Income) / Expenses – (net)	4,72,353	4,16,649

### 35. Derivative Instruments and un-hedged foreign currency exposures

a. There are following outstanding forward exchange contracts entered into by the Company as on 31st March, 2013 for hedging the currency risk:

(In Rs.)

Particulars	Purpose	31.03.2013	31.03.2012
Forward contracts to buy USD	Hedge of buyers credit & towards exports	5,48,12,500	5,11,56,500
(USD 10,00,000)			

b. The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2013 are as follows:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Assets (Receivable)	24,33,72,120	193,354,388
Liabilities (Payable)	35,73,04,993	167,741,823

### 36. Segment Reporting:

### a. Primary Segment:

The company is primarily engaged in single business segment of manufacturing and marketing of textile and textile products and is managed as one business unit.

### b. Secondary Segment (By Geographical Segment):

(In Rs.)

Particulars	India	Outside India	Total
Sales	126,07,27,919	109,81,40,404	235,88,68,323
	(113,95,04,363)	(22,48,31,575)	(136,43,35,938)
*Segment Assets	65,58,24,547	8,45,00,209	74,03,24,756
	(41,17,62,155)	(8,85,38,352)	(50,03,00,507)

(Figures in bracket indicate previous year's figures)

<sup>\*</sup>Segment Assets from outside India represents receivables from Export Sales. In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable.



- 37. The Company is in receipt of Assessment Order under Section 5 (4) of The Entry Tax Act (Karnataka), wherein a liability of Rs. 60,28,044/- has been assessed vide order dated 2 April 2013. Further, the Company has preferred an Appeal against the said assessment order before The Joint Commissioner of Commercial Taxes, Appeal 4, Bangalore.
- 38. The Company has received Income Tax Assessment Order dated 18 March 2013 passed under Section 143 (3) of The Income Tax Act, 1961 in respect of Assessment year 2010-11 determining demand of Rs. 2.97 Crores payable by the Company. The Company has filed an Appeal before The Commissioner of Income Tax, (Appeals). No provision is being made in the books of accounts during the financial year 2012-13.
- 39. Previous year figure has been regrouped, rearranged and restated whenever necessary.

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No. 9939 **Place :** Mumbai **Date :** 30th May 2013 For and on behalf of Board of Directors

Bang Overseas Ltd.

**Brijgopal Bang** 

Chairman & Managing Director

V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Place: Mumbai

Date: 30th May 2013

### 40. Information on Related Party Disclosure

by key mangement perosnnel or their relatives

Enterprises where control exists. Vedanta Creations Ltd. **Subsidiaries** Bang Europa SRO Bang HK Limited

A. S. Raiment Pvt Ltd (w.e.f. 29.06.2012)

Key Managerial Persons (KMP) Venugopal Bang (Resigned on 14.02.2013)

Brijgopal Bang

Purshottam Bang (w.e.f. 14.02.2013) Raghavendra Bang (w.e.f. 14.02.2013)

C. Relatives of Key Managerial Persons Balaram Bang Radhadevi Bang Girdhargopal Bang Rajgopal Bang

Nandgopal Bang D. Enterprises owned or significantly influenced

1) Bang Data Forms Pvt. Ltd.

2) Thomas Scott India Ltd.

Disclosure of transaction between the Company and related Parties and status of outstanding balances as on 31st March, 2013.

		(In RS.)
Particulars	31.03.2013	31.03.2012
Subsidiaries		
Vedanta Creations Ltd.		
Sale of finished goods / raw materials etc.	170,761,705	103,880,820
Purchase of finished goods / raw materials etc.	-	31,964,472
Sale of DFRC/DFIA Licenses	14,247,575	7,678,742
Loan received	193,920,103	38,770,000
Loan given	227,097,932	55,645,000
Outstanding (Payable)/Receivable as on 31st March 2013	20,022,349	(33,013,749)
Bang Europa SRO		
Sale of finished goods / raw materials etc.	11,282,380	51,547,623
Purchase of finished goods / raw materials etc.	2,556,927	-
Purchase of CAD Software	374,500	-
Outstanding receivable as on 31st March 2013	14,266,560	25,816,957
Bang HK Limited		
Sale of finished goods / raw materials etc.	259,487	-
Outstanding as on 31st March 2013	258,726	-
A. S. Raiment Pvt Ltd	42.000.072	
Investment in equity shares	12,029,872	-
Loan given	4,008,630	-
Outstanding Receivable as on 31st March 2013	4,257,095	-
Key Managerial Persons (KMP)		
Venugopal Bang Loans taken		7,500,000
Loans repaid	-	7,595,000
Interest paid	32,257	44,981
Sale of finished goods / raw materials etc.	-	4,169
Outstanding payable as on 31st March 2013	330,943	298,686
	330,343	230,000
Brijgopal Bang Loans taken	950,000	860,000
Loans repaid	850,000	-
Interest paid	2,018,263	1,774,641
Salary paid	3,480,000	2,400,000
Outstanding payable as on 31st March 2013	20,992,879	18,886,123
	-, ,	-,, <del></del>

(In Rs.)

	24 22 2242	24 22 2242
Particulars Particulars	31.03.2013	31.03.2012
Purshottam Bang		
Interest paid	473,148	-
Salary paid	227,400	-
Outstanding payable as on 31st March 2013	4,854,158	-
	,== , ==	
Relatives of Key Managerial Persons		
Balaram Bang		
Loans taken	5,000,000	-
Loans repaid	5,000,000	3,000,000
Interest paid	5,843,582	5,381,451
Outstanding payable as on 31st March 2013	59,950,821	54,107,239
Radhadevi Bang		
Interest paid	348,939	314,927
Outstanding payable as on 31st March 2013	3,579,857	3,230,918
	-,,	-,,-
Girdhargopal Bang		
Loans repaid	-	4,387,413
Interest paid	-	229,930
Outstanding payable as on 31st March 2013	-	-
Rajgopal Bang		
Interest paid	262,770	237,157
Outstanding payable as on 31st March 2013	2,695,825	2,433,055
	,,-	,,
Nandgopal Bang		
Loans repiad	59,588	-
Interest paid	3,187	5,498
Outstanding payable as on 31st March 2013	NIL	56,401
Enterprises owned or significantly influenced by key mangement perosnnel		
or their relatives		
David Data Forms Dut. Ltd.		
Bang Data Forms Pvt. Ltd. Loans taken	2,677,092	
Loans repaid	7,991,708	
Interest paid	43,669	626,941
Outstanding payable as on 31st March 2013	NIL	5,270,947
Outstanding payable as on 515t March 2015	1112	3,270,317
Thomas Scott India Ltd.		
Purchase of finished goods / raw materials etc.	20,123	28,520,760
Demerger expenses	-	500,000
Sale of finished goods / raw materials etc.	216,622,918	3,347,147
Interest received	-	786,826
Commission income	-	280,363
Loan received	-	70,221,608
Loan repaid	- 70 200 742	67,336,151
Outstanding Receivable as on 31st March 2013	79,266,712	1,133,790

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Rajendra Kumar Gupta

Partner
Membership No. 9939
Place: Mumbai
Date: 30th May 2013

For and on behalf of Board of Directors

Bang Overseas Ltd.

**Brijgopal Bang** 

Chairman & Managing Director

Place: Mumbai

Date: 30th May 2013

V. D. Ajgaonkar Nishi Vijay Vargiya

Director

Company Secretary & Compliance Officer

### 41. INFORMATION PUSUANT TO SCHEDULE VI OF THE COMPANIES ACT, 1956.

(In Rs.)

1	Earnings in foreign currency	2012-2013	2011-2012
	Exports at F.O.B. Value	1,098,140,404	224,831,575
2	Expenditure in foreign currency	2012-2013	2011-2012
	Travelling	1,267,873	1,194,429
	Interest on Buyers Credit	2,492,881	4,700,077
		3,760,754	5,894,506
3	Value of imports calculated on CIF basis	2012-2013	2011-2012
	Raw Materials	1,627,768	22,269,794
	Trade Goods	1,108,914,693	660,981,502
	Capital Goods		
		1,110,542,461	685,878,765

### 4 Imported and indigenous raw materials

(In Rs.)

Particulars	2012-	-2013	% of total Consumption	2011	L-2012	% of total Consumption
Fabrics	Qty	Value		Qty	Value	
Imported	-	-	0	65,617	12,753,827	8.26
Indigenous	658,462	117,756,359	100.00	905,166	141,604,604	91.74
	658,462	117,756,359	100	970,783	154,358,431	100
Accessories	2012-	-2013	% of total Consumption	2011-2012		% of total Consumption
Imported	-	2,421,873	10.64	-	9,998,143	29.50
Indigenous	-	20,346,923	89.36	-	23,896,797	70.50
	-	22,768,796	100		33,894,940	100

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No. 9939 **Place :** Mumbai **Date :** 30th May 2013 For and on behalf of Board of Directors

Bang Overseas Ltd.

**Brijgopal Bang** 

Chairman & Managing Director

Place: Mumbai

Date: 30th May 2013

V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

### Statement relating to subsidiary pursuant to Section 212 of the Companies Act, 1956

(In Rs.)

Name of the subsidiary Company	Financial year ending of the subsidiary	Number of equity shares held	Extent of holding	For financial year o	f the subsidiary	For the previous financial years since it became a subsidiary		
				Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company(Except to the extent dealt with in col 6)	Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company.	Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company(Except to the extent dealt with in col 8)	Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Vedanta Creations Limited	31/03/2013	284750	100%	2,648,443	-	92,563,895	-	
Bang Europa S.R.O.	31/03/2013	200000	100%	299,231	-	(3,594,870)	-	
Bang HK Limited	31/03/2013	50000	100%	495,680	-	(329,901)	-	
* A S Raiment Private Limited	31/03/2013	450000	100%	(512,796)	-	321,289	-	

### Particulars regarding subsidiary Companies, in accordance with General Circular No. 02/2011 dated 8th February 2011 from the Ministry of Corporate Affairs.

(In Rs.)

Name of Subsidiary Company	Issued and subscribed share capital	Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Vedanta Creations Ltd.	2,847,500	103,255,011	236,259,834	130,157,323	5,000,000	408,866,165	4,270,217	1,621,774	2,648,443	-
Bang Europa S.R.O.	13,908,000	(3,295,640)	58,019,795	47,407,435	-	88,688,743	412,164	112,933	299,231	-
Bang HK Limited	356,760	165,780	20,698,539	20,175,997	-	43,251,088	549,608	53,928	495,680	-
* A S Raiment Private Ltd	4,500,000	(191,507)	8,974,556	4,666,063	-	(75,000)	(498,347)	14,449	(512,796)	-

<sup>\*</sup> The company has become subsidiary with the Parent Company w.e.f. 29th June 2012

For and on behalf of Board of Directors

Bang Overseas Ltd.

Brijgopal Bang V. D. Ajgaonkar Nishi Vijay Vargiya

Chairman & Managing Director Director Company Secretary & Compliance Officer

Place : Mumbai

Date : 30th May 2013

### CONSOLIDATED INDEPENDENTANT AUDITOR'S REPORT

To,

The Board of Directors Bang Overseas Limited

- We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Bang Overseas Limited ('the Company") and its subsidiaries; hereinafter referred to as the "Company" which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.
- The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles, generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.
- Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assesement of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
- We have not audited the financial statements of foreign subsidiaries i.e. Bang Europa SRO and Bang HK Limited included in consolidated financial statements which constitutes to total assets of Rs. 7,87,18,334/- and total liabilities of Rs. 6,75,83,432/- as at 31st March, 2013, total revenue of Rs.13,19,39,831 net profit/ (loss) of Rs. 7,94,911 for the year then ended has been certified by the Managing Director of the Holding Company.
- We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard-21('AS') - Consolidated Financial Statements notified under Section 211 (3C) of the Companies Act, 1956.
- Based on our audit of financial statements of the holding and the subsidiary company and on consideration of certificate from management as explained in paragraph 5 above, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements gives a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
  - (ii) in the case of Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
  - (iii) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For Rajendra K. Gupta & Associates **Chartered Accountants** Firm Registration No:108373W

Rajendra Kumar Gupta Partner Membership No. 9939

Place: Mumbai Date: 30th May 2013

### **CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

(In Rs.)

	A a a t 21 a t	(III 113.)
Note	March 2013	As at 31st March 2012
2	135,600,000	135,600,000
3	757,813,041	755,332,057
	893,413,041	890,932,057
4	3,178,565	4,785,823
	18,590,293	8,499,255
5	3,819,402	3,819,402
	25,588,260	17,104,480
		524,081,728
		116,881,417
		34,206,128
9		11,575,707
	870,100,086	686,744,980
	1,789,101,387	1,594,781,517
10		
	191,365,341	175,970,049
		1,404,928
		100,745,050
11	5,010,000	5,010,000
12	67,909,000	35,100,000
13	9,269	<u>-</u>
	366,289,559	318,230,027
14	277,531,176	342,652,061
15	840,366,491	590,985,510
16	120,282,705	191,223,355
17	177,282,444	149,014,739
18	7,349,011	2,675,825
	1,422,811,828	1,276,551,490
	1,789,101,387	1,594,781,517
	2 3 4 5 6 7 8 9	10  10  191,365,341 1,848,726 100,147,223 11 5,010,000 12 67,909,000 13 9,269 366,289,559  14 277,531,176 15 840,366,491 16 120,282,705 17 177,282,444 18 7,349,011 1,422,811,828

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements As per our report of even date attached

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No. 9939 **Place :** Mumbai **Date :** 30th May 2013 For and on behalf of Board of Directors

Bang Overseas Ltd.

Brijgopal Bang

Chairman & Managing Director

Chairman & Managing Directo

Place: Mumbai

Date: 30th May 2013

V. D. Ajgaonkar Nishi Vijay Vargiya

Company Secretary & Compliance Officer

1

Director

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(In Rs.)

			(111 113.)
Particulars	Note	As at 31st March 2013	As at 31st March 2012
INCOME			
Revenue from operations	19	2,729,836,594	1,788,576,045
Less: Excise Duty		17,235,101	36,185,807
Net Revenue from operations		2,712,601,492	1,752,390,238
Other Operating Revenue	20	7,059,446	8,895,175
Other Income	21	42,235,060	37,014,604
Total Revenue		2,761,895,998	1,798,300,017
EXPENSES			
Cost of materials consumed	22	185,689,563	290,956,773
Purchase of Stock-in-Trade	23	2,072,134,031	1,180,986,989
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	32,071,477	(62,107,739)
Employee benefit expenses	25	155,614,566	143,556,158
Financial costs	26	53,414,652	57,113,115
Depreciation and amortization expenses	10	14,258,546	13,834,971
Other expenses	27	212,659,412	174,382,797
Total Expenses		2,725,842,245	1,798,732,064
Profit before exceptional and extraordinary items and tax		36,053,753	(423,047)
Exceptional Items		-	29,230
Profit before tax		36,053,753	(452,277)
Tax expenses:			
(1) Current tax		13,066,861	264,375
(2) Deferred tax		9,901,519	(1,870,124)
Profit / (Loss) for the year		13,085,373	1,153,472
Earning per equity share: (Refer Note 33)			
(1) Basic		0.96	0.09
(2) Diluted		0.96	0.09

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements As per our report of even date attached

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Rajendra Kumar Gupta

Partner Membership No. 9939

Place: Mumbai
Date: 30th May 2013

For and on behalf of Board of Directors **Bang Overseas Ltd.** 

Brijgopal Bang

Chairman & Managing Director

Place: Mumbai

Date: 30th May 2013

V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

1

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(In Rs.)

		(111 113.)
Particulars	As at 31st March 2013	As at 31st March 2012
A. Cash flow from Operating Activities		
Net profit before taxation	36,053,753	(423,047)
Adjustments for:		
Depreciation	14,258,546	13,214,854
(Profit) / Loss on sale of Fixed Assets	269,804	648,914
Sundry Balances Written back	(636,148)	(710,474)
Prior Period	<u> </u>	416,649
Exchange rate fluctuation loss/(gain)	(485,475)	(5,250,637)
Cancellation of Investment Demerger impact	-	(500,000)
Loss due to cancellation of contract (WIP)	3,020,000	-
Interest income	(17,033,224)	(23,046,095)
Dividend income	(2,210)	(2,240)
Interest expense	37,908,931	44,393,223
Operating profit before Working Capital changes	73,353,977	28,741,147
Changes in		
Inventories	65,547,713	121,514,669
Trade Receivables	(255,308,167)	41,678,796
Loans and Advances & other current assets	(5,598,870)	127,325,429
Trade Payables, Other liabilities & provisions	(32,642,565)	108,595,586
Cash generated from operations	(154,647,913)	427,855,627
Direct taxes paid (net)	(10,082,363)	(1,132,444)
Net Cash from Operating Activities	(164,730,276)	426,723,183
B. Cash flows from Investing activities	4	
Purchase of Fixed Assets	(22,851,266)	(33,971,505)
Capital work-in-progress	(2,422,173)	(86,141,810)
Receipt from sale of assets	1,573,167	1,540,990
Purchase of Investment	(44,838,872)	(5,000,000)
Cancellation of Investment Demerger impact	-	500,000
Interest received	17,033,224	23,046,095
Dividends received	2,210	2,240
Net Cash from Investing Activities	(51,503,710)	(100,023,990)
C. Cash flows from Financing Activities		(
Short Term Borrowings	184,193,710	(47,376,213)
Long Term Borrowings/Repayment	(5,403,538)	18,557,119
Demerger Impact	-	(347,347,640)
Proceeds from share capital	-	-
Proceeds from working capital borrowing	4,412,095	-
Interest paid	(37,908,931)	(44,393,223)
Net cash from Financing Activities	145,293,336	(420,559,957)
Net increase in cash and cash equivalents (A + B + C)	(70,940,650)	(93,860,764)
Cash and cash equivalents at the beginning of the year	191,223,355	285,084,119
Cash and cash equivalents at the end of the year	120,282,705	191,223,355

As per our report of even date attached

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Bang Overseas Ltd.

**Brijgopal Bang** Chairman & Managing Director

For and on behalf of Board of Directors

V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Rajendra Kumar Gupta

Partner

Membership No. 9939 **Place :** Mumbai **Date :** 30th May 2013

Place: Mumbai

Date: 30th May 2013

Note 1

### NOTES TO ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES:

### 1. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects in respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which impairment is made and revaluation is carried out and derivative instruments. The accounting policies have been consistently applied by the Company and except for the changes ain accounting policy discussed more fully below, are consistent with those used in previous year.

### 2. Principles of Consolidation

The consolidated financial statements relate to Bang Overseas Ltd., (Parent Company) and Subsidiaries i.e. Vedanta Creations Ltd., Bang Europa SRO and Bang HK Limited. The financial statements of the Parent Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, if any.

### 3. Use of Estimate

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### 4. Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of VAT recoverable. Financing costs relating to construction of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing costs not relating to construction of fixed assets are charged to the income statement.

### Depreciation

Depreciation on the fixed assets has been provided for on straight line method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956 for the manufacturing units. Other fixed assets have been continued depreciated by following written down value method.

### **Impairment**

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there are impairment indicators. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the WACC.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- (iii) A previously recognised impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### 5. Intangible Assets

Intangible assets include miscellaneous expenditures that are capitalized if specific criteria are met and are amortised over their useful life, generally not exceeding 5 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 5 years should be reviewed at least at each financial year end even if there is no indication that the asset is impaired.

### 6. Leases

### Where the Company is the lessee

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the company, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the P&L Account.

### 7. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

### 8. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, less provision for diminution in value other than temporary.

### 9. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on the following basis:

- (i) Raw materials and manufactured finished goods are valued at cost. Cost is determined by using average cost method.
- (ii) Trade Goods are valued at cost on FIFO basis.

### 10. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

### (i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales returns, discounts and rebates.

### (ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### (iii) Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of revised schedule VI of the Companies Act, 1956.

### 11. Foreign Exchange Transaction

- (i) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.
- (iii) Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts except in respect of liability for acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

### 12. Employee benefits

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the statutory authority are due.
- (ii) Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

### 13. Current Tax and Deferred Tax

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961 and provision has not been made for the completed assessment which are pending in Appeal.
- (ii) Deferred tax resulting from timing difference between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

### 14. Earning per share

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

### 15. Cash Flow Statement

Cash flow statement is reported using the indirect method as specified in the Accounting standard (AS)-3, 'Cash Flow Statement' issued by The Institute of Chartered Accountants of India.

### 16. Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(In Rs.)

		(111 113.)
Particulars	As at 31st March 2013	As at 31st March 2012
Note 2 : Share Capital		
Authorised		
1,60,00,000 Equity Shares of Rs. 10/- each	160,000,000	160,000,000
(Previous year 160,00,000 Equity Shares of Rs. 10/- each)	160,000,000	160,000,000
Issued, Subscribed & Paid up		
1,35,60,000 Equity Shares of Rs. 10/- each fully paid up	135,600,000	135,600,000
(Previous year 1,35,60,000 equity shares of Rs. 10/- each fully paid up)		
Total	135,600,000	135,600,000
Note 3 : Reserves & Surplus	F 120 017	12 247 600
(a) Capital Reserve on Consolidation	5,139,017	12,347,600
(b) General Reserve (c) Securities Premium Account	4,915,173	4,915,173
Balance at the beginning of the year	600,892,638	675,902,268
Less: W/O persuant to Scheme of Demerger	-	75,009,630
Balance at the end of the year	600,892,638	600,892,638
(d) Surplus in Profit Loss Statement		
Balance at the beginning of the year	152,621,821	423,806,361
Add: Current year transfer	13,085,373	1,153,472
Less: W/O persuant to Scheme of Demerger	-	272,338,012
Balance at the end of the year	165,707,194	152,621,821
Less: Elimination of Profit on consolidation	18,840,981	15,445,175
Total	757,813,041	755,332,057
Note 4 : Long term Borrowings		
Secured		
Car Loan	3,178,565	4,785,823
Total	3,178,565	4,785,823
<ul> <li>a) Nature of Security for Long term borrowings</li> <li>Car Loan is taken from Kotak Mahindra Prime Ltd and Tata Capital Ltd is secured agaisnt hypothecation of cars.</li> <li>b) There is no defualt in repayment of prioncipal amount and interest thereon .</li> </ul>		
Note 5: Other Long Term Liabilities		
Unsecured		
Security deposits Received	3,819,402	3,819,402
	3,819,402	3,819,402
Note 6 : Short tem borrowings		
Secured		
Working capital loans	20,689,402	124,436,624
Buyers Credit in foreign currency	432,880,498	201,599,173
Short term loan from Ratnakar Bank Limited	27,000,000	-
Unsecured		
from Promoters & Promoter group	136,797,166	176,136,739
from Directors	25,758,544	17,265,186
from related party	66,557,446	4,644,006
	709,683,055	524,081,728

Nature of Security for Short term borrowings: Working Capital loans and Buyer's Credit loans taken from Bank of India and Oreintal Bank of Commerce is secured against hypothecation of inventories, book debts and equitable mortage of immovable properties being factory land and buildings/other structures and embedded plant & machinery and ersonal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang

### Note 10 - Fixed Assets

Note 10 - Fixed Assets	ets									(In Rs.)
Particulars		<b>Gross Block</b>	Block			Depre	Depreciation		Net Block	lock
	as at 01/04/2012	Addition	Dedutction	as on 31/3/2012	up to 01/04/2012	for the year	Depreciation Adjustment	up to 31/3/2013	as on 31/3/2013	as on 31/3/2012
i) Tangible Assets										
Land	6,604,618	1,302,684	ı	7,907,302	1	ı	1	1	7,907,302	6,604,618
Building	19,894,713	11,799,280	1	31,693,993	534,588	495,530	1	1,030,118	30,663,875	19,360,125
Factory Building	63,170,962	5,613,515	112,864	68,671,613	10,603,246	2,303,880	32,417	12,874,709	55,796,904	52,567,716
Office Equipment	5,936,413	957,181	165,688	6,727,906	2,349,972	494,736	40,165	2,804,543	3,923,363	3,586,442
Computer Systems	11,447,540	1,320,862	89,200	12,679,202	8,924,165	958,235	47,273	9,835,127	2,844,075	2,523,375
Plant & Machinery	74,466,604	3,001,557	ı	77,468,161	15,045,696	3,625,547	78,591	18,592,652	58,875,508	59,420,909
Furniture & Fixture	35,782,478	2,016,454	I	37,798,932	18,185,352	3,207,479	313	21,392,518	16,406,414	17,597,126
Motor Vehicles	13,654,424	2,665,143	1,960,000	14,359,567	4,594,121	2,030,315	558,599	6,065,837	8,293,730	9,060,303
Leasehold	6,027,764	1,965,644	ı	7,993,408	778,328	506'095	1	1,339,233	6,654,175	5,249,436
Improvements										
Total of (i)	236,985,516	30,642,320	2,327,752	265,300,084	61,015,467	13,676,627	757,357	73,934,738	191,365,341	175,970,049
ii) Intangible Assets										
Computer Software	3,567,504	1,025,716	1	4,593,220	2,162,576	581,918	1	2,744,494	1,848,726	1,404,928
Total of (ii)	3,567,504	1,025,716	•	4,593,220	2,162,576	581,918	1	2,744,494	1,848,726	1,404,928
Grand Total (i+ii)	240,553,020	31,668,036	2,327,752	269,893,304	63,178,043	14,258,546	757,357	76,679,232	193,214,067	177,374,977
Previous Year	241,429,012	34,134,085	35,010,077	240,553,020	62,543,396	13,834,971	13,200,324	63,178,043	177,374,977	1
iii) Capital Work in progress	1	1	1		1	1		1	100,147,223	100,745,050

### Notes:

- During the previous year ended 31st March 2013, the subsidiary M/s. Vedanta Creations Limited has purchased vehicle for Rs. 26,00,000/in the name of Director Mr. Venugopal Bang.
- Depreciation adjustment includes wrong depreciation charged in the books of subsidiary M/s. A.S.Raiment Private Limited amounting to Rs. 1,11,185/ in previous years. 7

Particulars			As at 31st March 2013	As at 31st March 2012
Note 7 : Trade Payables				
Payables for goods & Services			137,226,384	116,781,417
Payables to Managing Director			93,689	100,000
Tayables to Managing Director			137,320,073	116,881,417
Note 8: Other Current Liabiliti	ies		C 140 FFC	F 700 000
Statutory Liabilities	***		6,140,556	5,760,909
Payable for Capital Expenditur Interest accrued but not due o			2 267 201	1,147,829
Advances from customers	on loans		3,367,391	25,779,913 1,517,477
Advances from customers			2,337,095 <b>11,845,043</b>	34,206,128
				0 1,200,220
Note 9: Short Term Provisioin				
Provision for employee benefi	its		10,577,302	8,300,245
Provision for gratuity			674,613	1,096,530
Provision for Excise Duty			11 251 015	2,178,932
			11,251,915	11,575,707
Note 11 : Non Current Investr	ments			
Non Trade - Unquoted				
Name of Company	Face Value	Nos.		
Saraswat Co Op Bank Ltd		.,000	10,000	10,000
Excel Agencies Pvt Ltd		5000	2,500,000	2,500,000
N.K. Overses Pvt Ltd	100	500	2,500,000	2,500,000
			5,010,000	5,010,000
Note 12 : Long term Loans and	d advances			
Unsecured, considered good				
Capital Expenditure Advances			67,909,000	35,100,000
			67,909,000	35,100,000
Note 13 : Other Non Current A	Δssets			
Preliminary Expenses	A33C13		9,269	-
, , , , , , , , , , , , , , , , , , , ,			9,269	
Note 14 : Inventories				
(As taken, Valued & Certified b			52.252.222	04 700 406
Raw Materials and component	ts		52,360,008	81,789,196
Work In Progress			- 44 420 704	3,873,840
Finished goods			11,129,781	18,780,330
Trade goods			214,041,387 <b>277,531,176</b>	238,208,695 <b>342,652,061</b>
				342,032,001
Note 15 : Trade Receivables				
Unsecured, considered good u				
Debts outstanding for a period	d exceeding six month	ıs	215,478,573	302,548,030
Other Debts	alatina		543,280,267	288,428,457
Receivable from Directors & R	teiaπves		81,607,651	9,023
			840,366,491	590,985,510
				-,,

(In Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
	3130 14101011 2013	3130 Widi Cii 2012
Note 16: Cash and Bank Balances		
Cash and Cash equivalents		
Balances with Banks		
- Current Accounts	24,413,778	1,229,569
- Fixed Deposit Accounts	95,254,943	189,004,116
Cash In Hand	613,984	989,670
	120,282,705	191,223,355

Balances with banks in deposit accounts includes fixed deposits aggregating to Rs. 19,64,830/- against which lien has been marked by the banks as security for guarantees issued on behalf of the Company. It also includes fixed deposits aggregating to Rs. 8,06,09,419/- earmarked as margin deposits against working capital facilities and fixed deposits aggregating to Rs. 3,00,00,000/- liened against stand by letter of credit issued to subsidiary company. Also fixed deposits aggregating to Rs. 2,00,00,000/- liened against working capital facilities of Subsidiary Company. Current Accounts balance includes Rs. 46,508 ovedraft account balance of Oriental Bank of Commerce.

N	lote	17	: Short	term	Loans and	advances

	<b>7,059,446</b>	8,895,175
Commission Received		176,655
Decrease in Excise duty provision on finished goods	2,056,880	2,556,210
Misellaneous Income	105,135	1,238,608
Duty drawback/DEPB incentives	4,897,431	4,923,702
Note 20 : Other Operating Revenue		
Net Sales	2,729,836,594	1,788,576,045
Less : Inter Department Transfer	9,370,411	131,142,713
Gross Sales	2,739,207,004	1,919,718,758
Jobwork Charges/Scrap Sales	82,116,008	64,940,296
- Manufactured Goods	33,231,019	61,848,801
- Trade Goods	877,911,559	162,982,774
Export Sales		, ,
- Manufactured Goods	303,930,891	447,600,651
- Trade Goods	1,442,017,528	1,182,346,236
Sale of Products		
Note 19 : Revenue from Operations		
	7,349,011	2,675,825
Interest accrued but not due on deposits	68,702	32,292
DFIA/DFRC import licenses	7,280,309	2,643,533
Note 18 : Other Current Assets		
	177,282,444	149,014,739
Deposits with financial institutions	60,000,000	60,000,000
Security Deposits	9,070,108	7,978,677
Insurance Cliam receivables	2,466,361	-
Balances with Government authorities	6,154,052	4,513,899
Prepaid expenses	3,879,175	5,310,044
Advance Tax & T.D.S. (Net of provisions)	7,202,171	8,759,759
Receivable from related parties	-	1,133,790
Advances to employees  Advances towards purchase of goods / services	61,659,971	60,569,205
Advances to employees	26,850,605	749,365
Unsecured, considered good unless otherwise stated		
Note 17 : Short term Loans and advances		

31st March 2013	31st March 2012
17,033,389	23,027,324
14,029,786	13,253,130
2,210	2,240
8,546,577	710,474
-	21,436
	-
42,235,060	37,014,604
61 000 074	75 256 524
	75,256,524
	273,387,567 57,687,318
	290,956,773
183,089,303	290,930,773
	1,263,933,482
	48,196,220
	1,312,129,702
	131,142,713 <b>1,180,986,989</b>
238.046.585	169.115.382
238,046,585 472,284	169,115,382 5.540.119
472,284	5,540,119
472,284 18,723,776	5,540,119 24,043,071
472,284 18,723,776	5,540,119 24,043,071
472,284 18,723,776 <b>257,242,645</b>	5,540,119 24,043,071 <b>198,698,572</b>
472,284 18,723,776 <b>257,242,645</b>	5,540,119 24,043,071 <b>198,698,572</b> 238,208,695
472,284 18,723,776 <b>257,242,645</b> 214,041,387	5,540,119 24,043,071 <b>198,698,572</b> 238,208,695 3,873,840
	8,546,577  156,737 2,466,361  42,235,060  61,088,874 166,885,145 42,284,457 185,689,563  2,058,806,681 22,697,760 2,081,504,441 9,370,411 2,072,134,031

		(111113.)
Particulars	As at 31st March 2013	As at 31st March 2012
Note 26 : Finance Expenses		
Interest		
On Working capital loans	11,842,699	19,697,015
Others	26,066,230	24,696,208
Bank Charges	15,505,723	12,719,892
	53,414,652	57,113,115
Note 27 : Other Expenses		
Power & Fuel	9,480,868	8,394,021
Freight and forwarding charges	24,704,559	23,174,993
Rent	14,460,142	13,898,939
Rates & Taxes	2,946,575	4,674,410
Insurance Charges	3,126,853	1,857,346
Repairs & Maintenance	-	-
- Plant & Machinery	1,610,989	1,150,037
- Building	159,516	212,050
- Other	2,325,909	4,141,959
Advertising	220,403	320,866
Sales Promotion	5,400,037	2,223,485
Brokerage & Sales Commission	8,355,928	31,277,425
Travelling and Conveyance Expenses	13,828,419	14,968,023
Communication Cost	2,975,519	3,212,685
Printing & Stationary	2,016,353	1,895,385
Professional and Consultancy fees	6,270,809	10,012,925
Directors Sitting fees	106,742	80,000
Remuneration to Director	3,720,000	2,640,000
Auditor's remuneration:		
- Audit fee	246,640	162,560
- Tax Audit fee	70,000	70,000
- Others	67,000	44,000
Loss due to cancellation of contract	3,020,000	-
Loss on sale of fixed Assets	269,804	670,350
Foreign Exchange (Gain) / Loss	7,034,429	19,330,107
Courier & Postage	6,151,349	3,511,823
Vehicle Expenses	877,021	1,037,525
Packing Material Expenses	3,211,259	2,894,179
Transportation for factory workers	1,827,124	2,889,053
Jobwork & Washing charges	32,768,601	1,484,387
Security and service charges	2,815,147	2,808,760
Discount and rebate on sales	16,085,092	8,366,607
Bad Debts	30,197,866	427 444
Sundry Balances Written off	348,683	137,414
Wealth Tax	427.252	50,000
Prioir Period Items (net)	427,353	416,649
Miscellaneous Expenses	5,532,425	6,374,834
	212,659,412	174,382,797

### **NOTES ON ACCOUNTS:**

### 28. Segment Reporting:

### a. Primary Segment:

The company is primarily engaged in single business segment of manufacturing and marketing of textile and textile products and is managed as one business unit.

### b. Secondary Segment (By Geographical Segment):

(In Rs.)

Particulars	India	Outside India	Total
Sales	180,14,58,914	91,11,42,578	271,26,01,492
	(113,95,04,363)	(61,28,85,875)	(175,23,90,238)
*Segment Assets	75,58,66,282	8,45,00,209	84,03,66,491
	(41,17,62,155)	(17,92,23,355)	(59,09,85,510)

(Figures in bracket indicate previous year's figures)

### 29. Operating Lease Arrangements:

### a. As lessee:

Rental expenses of Rs. 1,44,60,142/- (P.Y. Rs. 1,38,98,939) in respect of obligation under operating leases have been recognized in the profit and loss account.

At balance sheet date, minimum lease payments under non-cancelable operating leases fall due as follows:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Due not later than one year	91,24,048	81,39,572
Due later than one year but not later than five years	1,34,50,276	81,27,977
Later than five years	NIL	NIL

The above figures include:

- i. Lease rentals do not include common maintenance charges, tax payable, if any.
- ii. The Company has not entered under any operating lease agreement which is not-cancelable more than five years.

### b. As lessor:

Rental Income recognized in the profit & Loss account during the year Rs. 1,40,29,786/- (Previous Year Rs. 1,32,53,130) relating lease arrangements. .

### 30. Employee benefit plan:

The Company has recognized Rs. 8,45,721/- (PY Rs. 13,45,057/-) in the Profit and Loss Account for the year ended 31st March 2013 under defined contribution plans.

### (a) Expenses recognized in Profit & Loss Account for the year ended 31 March 2013:

Particulars	31.03.2013	31.03.2012
Current service cost	21,12,003	14,65,347
Interest cost	3,43,669	2,44,863
Expected return on Assets	(3,06,112)	(1,72,048)
Actuarial (gains) / losses	(13,03,839)	(1,93,105)
Past service cost	-	-
Net expenses	8,45,721	13,45,057

<sup>\*</sup>Segment Assets from outside India represents receivables from Export Sales. In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable.

### (b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2013:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Defined benefit obligation	52,71,277	44,36,521
Fair value of plan assets	45,96,664	33,39,991
Fund status [Surplus/(Deficit)]	(6,74,613)	10,96,530
Net Assets / (Liability)	(6,74,613)	(10,96,530)

### (c) Changes in present value of defined benefit obligation are as following:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Opening defined benefit obligation	44,36,521	28,57,209
Current service cost	21,12,003	14,65,347
Interest cost	3,43,669	2,44,863
Benefit paid	(3,34,689)	-
Actuarial (gains) / Losses	(12,86,227)	(1,30,898)
Closing defined benefit obligation	52,71,277	44,36,521

### (d) Changes in fair value of plan assets are as follows:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Fair Value of Plan Assets at the beginning of the period.	33,39,991	23,78,263
Expected Return on Plan Assets	3,06,112	1,72,048
Actuarial (gains) / Losses	17,612	62,207
Assets distributed on settlements	-	-
Actual Company Contributions less Risk Premium	12,67,638	7,27,473
Benefit Payments	(3,34,689)	-
Fair Value of the assets	45,96,664	33,39,991

### (e) The principal actuarial assumptions used in determining gratuity liability of Parent Company is as follows:

Assumption	31.03.2013	31.03.2012
Discount rate	8.05%	8.57%
Expected return on assets	8.05%	8.00%
Salary Increase	7.00%	7.00%
Withdrawal rates	5.00%	5.00%
Mortality table	Indian Assured Lives Mort	tality (2006-08) (Ultimate)

### 31. Contingent Liabilities

(In Rs.)

Particulars	31.03.2013	31.03.2012
Bank Guarantees & Counter Guarantees	19,75,000	17,65,000
Letter of credit	1,51,36,521	6,68,72,722
Export Obligation	3,04,81,689	3,65,71,097
Corporate Guarantee	-	10,00,00,000
Sales Tax declaration forms	56,19,686	11,25,798
Stand by Letter of credit	3,00,00,000	-
Total	8,32,12,896	20,63,34,617

Bank Guarantees & Counter Guarantees includes a Fixed Deposit of Rs. 2,10,000/- is liened with the bank against EPCG guarantee. The export obligation amount is not ascertainable.

### 32. Details of Deferred Tax assets and liabilities:

In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset on account of timing difference comprises of the following:

(In Rs.)

Particulars	31.03.2013	31.03.2012
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	1,93,25,447	95,51,030
On account of expenditure allowed on payment basis e.g. Contribution paid to Gratuity Fund Manager	18,85,937	12,35,821
On account of deduction u/s. 35DD	1,04,734	99,747
Total	2,13,16,118	1,08,86,598
Deferred Tax Assets		
On account of expenses incurred on demerger	-	(4,98,735)
Expenditures disallowed u/s 43B	27,25,825	(18,88,608)
Deferred Tax Liabilities (Net)	1,85,90,293	84,99,255

**33.** In the opinion of the Board, sundry debtors, loans and advances and other current assets and unsecured loans are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary. Balances are subject to confirmation and reconciliation.

### **Debtors outstanding includes**

- (1) Amount of Rs.18,50,24,149/- recoverable from Koutons Retail India Ltd (KRIL). Some creditors are reported to have approached the Delhi High Court to recover their dues.
  - However, the Company is negotiating with the management of the above party for recovery of its dues. The Company is hopeful of being able to realize its entire outstanding and therefore no provision in regard thereto has been made in the accounts.
- **34.** The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid / payable as required under the said Act have not been given.

### 35. Earning per Share (EPS)

Particulars	31.03.2013	31.03.2012
Profit/(Loss) for the year after tax	1,30,85,373	11,53,472
Nominal value per share	10	10
Number of equity shares	1,35,60,000	1,35,60,000
EPS excluding exceptional item	0.96	0.09
EPS including exceptional item	0.96	0.09

### 36. Prior period items

Particulars	31.03.2013	31.03.2012
Rent expenses	2,91,305	-
Professional & Consultancy charges	6,000	-
Income tax liability of earlier year	-	7,42,428
Sales tax liability of earlier year	17,184	38,463
Capitalisation of expenses not accounted earlier	1,12,864	-
Total expenses	4,27,353	7,80,891
Less : Income		
Capitalisation of expenses accounted as revenue	-	(3,64,242)
Prior Period (Income) / Expenses – (net)	4,27,353	4,16,649

### 37. Derivative Instruments

a. There are following outstanding forward exchange contracts entered into by the Company as on 31st March, 2013 for hedging the currency risk:

Particulars	Purpose	31.03.2013	31.03.2012
Forward contracts to buy USD	Hedge of buyers credit & towards exports	5,48,12,500	5,11,56,500
(USD 10,00,000)			

b.The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2013 are as follows:

Particulars	31.03.2013	31.03.2012
Assets (Receivable)	24,72,18,801	193,354,388
Liabilities (Payable)	48,42,72,412	22,71,03,865

- **38.** The Company is in receipt of Assessment Order under Section 5 (4) of The Entry Tax Act (Karnataka), wherein a liability of Rs. 60,28,044/- has been assessed vide order dated 2 April 2013. Further, the Company has preferred an Appeal against the said assessment order before The Joint Commissioner of Commercial Taxes, Appeal 4, Bangalore.
- **39.** The Company has received Income Tax Assessment Order dated 18 March 2013 passed under Section 143 (3) of The Income Tax Act, 1961 in respect of Assessment year 2010-11 determining demand of Rs. 2.97 Crores payable by the Company. The Company has filed an Appeal before The Commissioner of Income Tax, (Appeals). No provision is being made in the books of accounts during the financial year 2012-13.
- **40.** Previous year figures are regrouped, rearranged and restated where ever necessary.

For Rajendra K. Gupta & Associates

Chartered Accountants Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No. 9939 **Place :** Mumbai **Date :** 30th May 2013 For and on behalf of Board of Directors

Bang Overseas Ltd.

**Brijgopal Bang** 

Chairman & Managing Director

V. D. Ajgaonkar Director Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Place: Mumbai

Date: 30th May 2013

### 41. Information on Related Party Disclosure

A. Key Managerial Persons (KMP) Venugopal Bang (Resigned on 14.02.2013)

Brijgopal Bang

Raghavendra Bang (w.e.f. 14.02.2013) Purshottam Bang (w.e.f. 14.02.2013)

Laxminiwas Bang

B. Relatives of Key Managerial Persons Balaram Bang

Radhadevi Bang Girdhargopal Bang Rajgopal Bang Nandgopal Bang Harshvardhan Bang

C. Enterprises owned or significantly influenced Bang Data Forms Pvt. Ltd. by key mangement perosnnel or their relatives Shree Balaji Fabrics

Venugopal Bang (HUF)

### Disclosure of transaction between the Company and related Parties and status of outstanding balances as on 31st March, 2013

Particulars	31.03.2013	31.03.2012
Key Managerial Persons (KMP)		
Venugopal Bang		
Loans taken	<del>-</del>	7,500,000
Loans repaid	-	7,595,000
Interest paid	32,257	44,981
Sale of finished goods/raw material etc	9,554	4,169
Outstanding payable as on 31st March 2013	3,30,943	298,686
Brijgopal Bang		
Loans taken	950,000	860,000
Loans repaid	850,000	-
Interest paid	2,018,263	1,774,641
Salary paid	3,480,000	2,400,000
Sale of finished goods/raw material etc	-	4,216
Outstanding payable as on 31st March 2013	20,992,879	1,774,641
Purshottam Bang		
Interest paid	473,148	-
Salary paid	227,400	-
Outstanding payable as on 31st March 2013	4,854,158	-
Raghavendra Bang		
Sale of finished goods/rwa material etc	3,910	8,617
Salary paid	240,000	240,000
Outstanding payable as on 31st March 2013	NIL	NIL
Relatives of Key Managerial Persons		
Venugopal Bang (HUF)		
Rent Paid	180,000	180,000
Outstanding payable as on 31st March 2013	NIL	NIL
Girdhargopal Bang		
Loans repaid	-	4,387,413
Interest paid	-	229,930
Outstanding payable as on 31st March 2013	-	NIL

Particulars	31.03.2013	31.03.2012
Balaram Bang		
Loans taken	5,000,000	
Loans repaid	5,000,000	3,000,000
Interest paid	5,843,582	5,381,451
Rent paid	180,000	180,000
Sale of finished goods/raw material etc	600	-
Outstanding payable as on 31st March 2013	59,950,221	NIL
Radhadevi Bang		
Interest paid	348,939	314,927
Outstanding payable as on 31st March 2013	3,579,857	3,230,918
Rajgopal Bang		
Interest paid	262,770	237,157
Outstanding payable as on 31st March 2013	2,695,825	2,433,055
Nandgopal Bang	50 500	
Loans repaid	59,588	
Interest paid	3,187	5,498
Outstanding payable as on 31st March 2013	NIL	56,401
Harshvardhan Bang	10 477	1 020
Sale of finished goods/raw material etc Outstanding Receivble as on 31st March 2013	10,477 8,041	1,828 NIL
Enterprises owned or significantly influenced by key mangement perosnnel or their relatives  Bang Data Forms Pvt. Ltd.		
Loans taken	2,677,092	-
Loans repaid	7,991,708	-
Interest paid	43,669	626,941
Purchase of finished goods / raw material	-	-
Outstanding payable as on 31st March 2013	NIL	5,270,947
Thomas Scott India Ltd.		
Purchase of finished goods / raw materials etc.	20,123	28,520,760
Demerger expenses Sale of finished goods / raw materials etc.	216 622 019	500,000 3,347,147
Interest received	216,622,918	786,826
Commission income		280,363
Loan received	-	70,221,608
Loan repaid	-	67,336,151
Outstanding Receivable as on 31st March 2013	79,266,712	1,133,790
Shree Balaji Fabrics		
Sale of finished goods / raw material	442,598	248,547
Loan taken	-	-
Loan repaid Outstanding receivable as an 21st March 2012	-	-
Outstanding receivable as on 31st March 2013	-	-

As per our report of even date attached

For Rajendra K. Gupta & Associates

**Chartered Accountants** 

Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No. 9939 Place: Mumbai **Date**: 30th May 2013 For and on behalf of Board of Directors

Bang Overseas Ltd.

**Brijgopal Bang** 

Chairman & Managing Director

V. D. Ajgaonkar Director

Nishi Vijay Vargiya

Company Secretary & Compliance Officer

Place: Mumbai **Date:** 30th May 2013



### **REGISTERED OFFICE:**

Masjid Manor, 2nd Floor, 16, Homi Modi Street, Fort, Mumbai-400 023. India.

### **CORPORATE OFFICE:**

405/406, Kewal Industrial Estate, 4th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013, India.

### **MANUFACTURING UNITS:**

9/2, 9th Main Road, Basavapura Village, Begur Hobli, Electronic City Post, Bangalore-560 010, India.

> 1941/ A & 2011, Gramathana, Kacharakanahalli, Hennur Main Road, Bangalore – 560 084



T NO. 405.406. 4TH FLOOR, KEWAL INDUSTRIAL ESTATE, SENAPATI BAPAT MARG, LOWER PAREL (W), MUMBAI - 400 013. INDIA.

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### FORM A

1. Name of the company	BANG OVERSEAS LTD.	
2. Annual financial statements for the year Ended	31 <sup>st</sup> March, 2013	
3. Type of Audit observation	Un-qualifed	
4. Frequency of observation	Not Applicable	
5. Signed by- Brijgopal Bang Managing Director	James Rose	
JaydasDighe CFO	Sin	
Rajendra Gupta Auditor of the Company	× Pjende Xem dag.	
M.K.Sinha Audit Committee Chairman	× YMX Inh	