



**BANG & SCOTT**  

---

**LUXE**

DESIGN

TEXTURE

FINISH

QUALITY

 **BANG OVERSEAS Ltd.**

**ANNUAL REPORT**

**2012-2013**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### 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

### INTERNAL AUDITORS

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

### BANKERS

BANK OF INDIA  
ORIENTAL BANK OF COMMERCE

### REGISTERED OFFICE

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

### 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.

#### Unit No. 2 - FCC

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

#### Unit No. 3 - RCC

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

### WAREHOUSES

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

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

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

**WEBSITE** - [www.banggroup.com](http://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)

| Description  | Stand Alone            |                        | Consolidated           |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | Year Ended<br>31.03.13 | Year Ended<br>31.03.12 | Year Ended<br>31.03.13 | Year Ended<br>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               |
| <b>Earnings before Interest, Depreciation and Tax (EBIDT)</b>      | <b>912.21</b>          | <b>632.78</b>          | <b>1037.26</b>         | <b>704.96</b>          |
| Less: Interest   | 474.09                 | 502.99                 | 534.15                 | 571.13                 |
| <b>Earnings Before Depreciation And Tax (EBDT)</b>                 | <b>438.12</b>          | <b>129.79</b>          | <b>503.11</b>          | <b>133.83</b>          |
| Less: Depreciation   | 124.92                 | 123.42                 | 142.58                 | 138.35                 |
| <b>Profit before Tax (PBT)</b>                                     | <b>313.2</b>           | <b>6.37</b>            | <b>360.53</b>          | <b>-4.52</b>           |
| Tax Provision (Current, Deferred, FBT and Earlier Year adjustment) | 211.65                 | -16.45                 | 229.68                 | -16.06                 |
| <b>Profit after Tax (PAT)</b>                                      | <b>101.55</b>          | <b>22.82</b>           | <b>130.85</b>          | <b>11.54</b>           |

### 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 February, 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 received notices along with deposits from the members proposing the candidatures 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 reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.



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. Electricity                         |   | 2012- 2013                            | 2011-2012                              |
|--|---|---------------------------------------|--|
| <b>(a)</b>                             | <b>Purchased</b>                            |                                       |  |
|  | 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>(b)</b>                             | <b>Own generation</b>                       |                                       |  |
|  | <b>i) Through Diesel generator unit</b>     |                                       |  |
|  | 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<br>(Rs.3,39,761/19957 units) | Rs.14.946<br>(Rs 1,79,953/12040 units) |
|  | <b>ii) Through Steam turbine/ generator</b> | Nil                                   | Nil                                    |
|  | Units                                       | Nil                                   | Nil                                    |
|  | Units per ltr. of fuel oil/ gas             | Nil                                   | Nil                                    |
|  | Cost/ units                                 | Nil                                   | Nil                                    |
| <b>2. Coal (Bio Fuel)</b>              |   |                                       |  |
|  | Quantity (tonnes)                           | 60.690 Kgs                            | 54910 kg                               |
|  | Total Cost                                  | Rs.303811.00                          | Rs.236490.00                           |
|  | Average Cost                                | Rs 5006/- Per tone                    | 4300/- per tones                       |
| <b>3. Furnace Oil</b>                  |   |                                       |  |
|  | Quantity                                    | Nil                                   | Nil                                    |
|  | Total Amount                                | Nil                                   | Nil                                    |
|  | Average rate                                | Nil                                   | Nil                                    |
| <b>4. Others / internal generation</b> |   |                                       |  |
|  | 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 in 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                        | -  |

\* 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,
- Any 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 Ajaonkar 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 Ajaonkar, Non-Executive Independent Director        | Member      |

\*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 Ajsaonkar       | 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      |

\*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                          |
| <b>TOTAL</b>                     | <b>0</b>          | <b>0</b>                 | <b>0</b>                 | <b>0</b>                   |

## 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      |

\*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,WankhedeStadium,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 its 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](http://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.

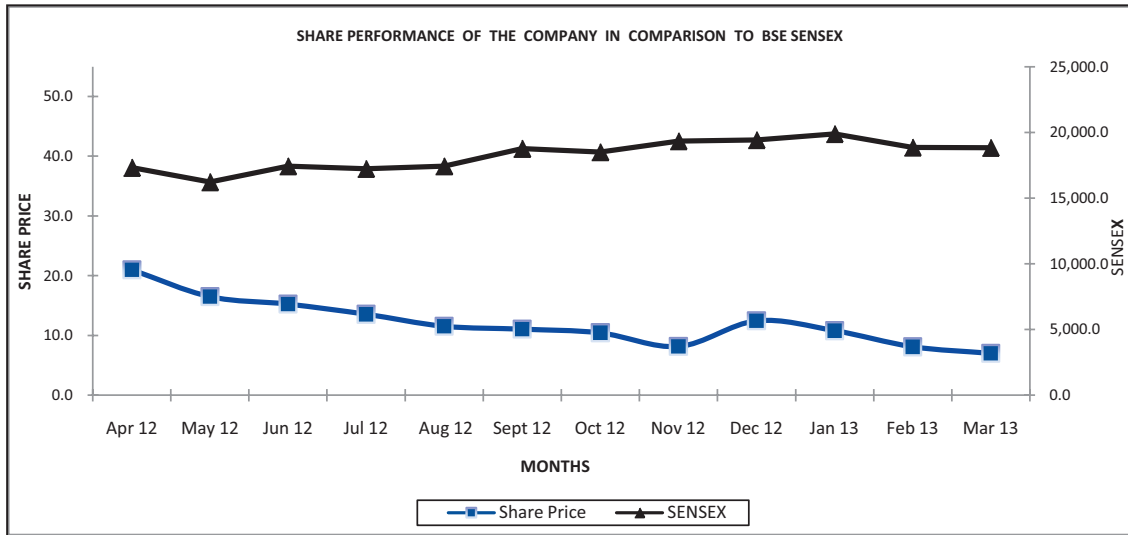
**Stock Codes**

- BSE: 532946 (Scrip Code) BANG (Scrip ID)
- NSE : BANG (Symbol)
- Demat ISIN No. for NSDL and CDSL – INE863I01016

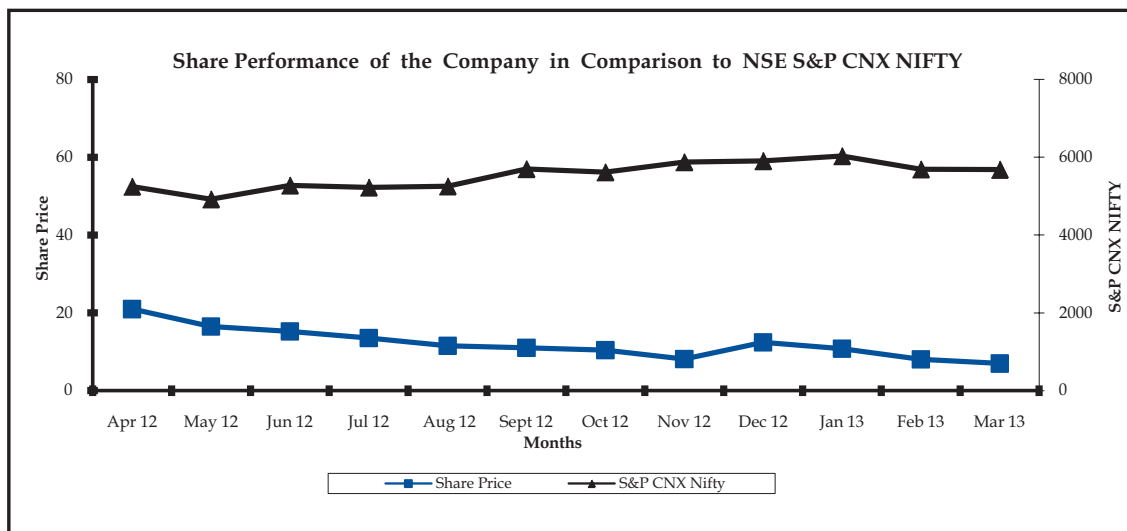
**f) Stock Data**

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 |            |           |             |                      | NSE S & P CNX Nifty |           |             |
|-----------------------|------------|-----------|-------------|----------------------|---------------------|-----------|-------------|
| 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     |

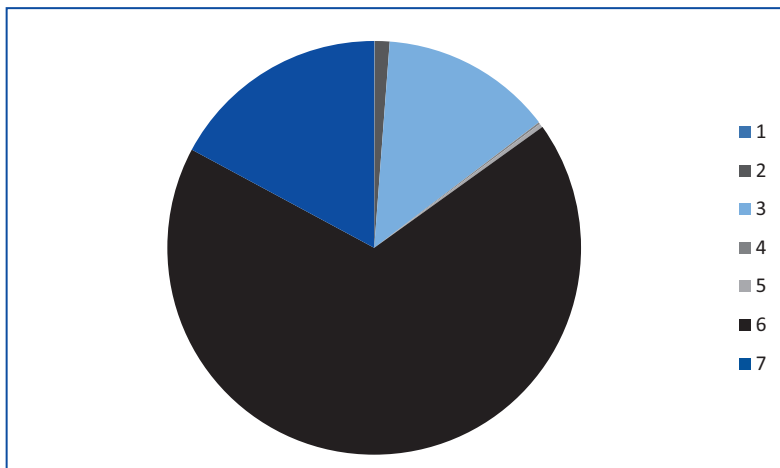


## h) Shareholding Pattern

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   | % Equity      |
| 1                                      | CLEARING MEMBERS             | 5831            | 0.04          |
| 2                                      | FRACTIONAL SHARES            | 155890          | 1.15          |
| 3                                      | H U F                        | 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         |
|  | <b>Total</b>                 | <b>13560000</b> | <b>100.00</b> |



### 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         |
|         | <b>Total</b>   | <b>5664</b> | <b>100.00</b> | <b>135600000.00</b> | <b>100.00</b> |

## 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 of 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 man-made 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%)

(sourced by website of Ministry of Textile)

### FINANCIAL OVERVIEW

#### 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  
Managing Director

Place: Mumbai

Date : August 12, 2013

Sd/-  
Jaydas Dighe  
Chief Financial Officer

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**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  
Managing Director

Place: Mumbai  
Date: August 12, 2013

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## 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;

- (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<br>March 2013 | As at 31st<br>March 2012 |
|--|------|--------------------------|--------------------------|
| <b>EQUITY AND LIABILITIES</b>                  |      |                          |                          |
| <b>Shareholder's Funds</b>                     |      |                          |                          |
| Share Capital                                  | 2    | 135,600,000              | 135,600,000              |
| Reserves and Surplus                           | 3    | 668,245,406              | 658,090,592              |
|  |      | <b>803,845,406</b>       | <b>793,690,592</b>       |
| <b>Non-Current Liabilities</b>                 |      |                          |                          |
| 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                |
|  |      | <b>25,588,711</b>        | <b>17,230,673</b>        |
| <b>Current Liabilities</b>                     |      |                          |                          |
| 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               |
|  |      | <b>706,074,025</b>       | <b>569,831,483</b>       |
| <b>TOTAL</b>                                   |      | <b>1,535,508,142</b>     | <b>1,380,752,748</b>     |
| <b>ASSETS</b>                                  |      |                          |                          |
| <b>Non-current assets</b>                      |      |                          |                          |
| 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               |
|  |      | <b>377,580,844</b>       | <b>326,145,709</b>       |
| <b>Current assets</b>                          |      |                          |                          |
| 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                |
|  |      | <b>1,157,927,298</b>     | <b>1,054,607,039</b>     |
| <b>TOTAL</b>                                   |      | <b>1,535,508,142</b>     | <b>1,380,752,748</b>     |

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

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

(In Rs.)

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

**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

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

(In Rs.)

| Particulars   | As at 31st<br>March 2013 | As at 31st<br>March 2012 |
|---|--------------------------|--------------------------|
| <b>A. Cash flow from Operating Activities</b>                 |                          |                          |
| <b>Net profit before taxation</b>                             | 31,320,111               | 636,873                  |
| Adjustments for:  |                          |                          |
| 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               |
| <b>Operating profit before Working Capital changes</b>        | <b>66,367,370</b>        | <b>25,612,594</b>        |
| <b>Changes in</b>   |                          |                          |
| 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)             | 47,951,470               |
| Cash generated from operations                                | <b>(145,310,987)</b>     | <b>453,312,893</b>       |
| Direct taxes paid (net)                                       | (9,082,363)              | (554,066)                |
| <b>Net Cash from Operating Activities</b>                     | <b>(154,393,350)</b>     | <b>452,758,827</b>       |
| <b>B. Cash flows from Investing activities</b>                |                          |                          |
| 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                    | -                        | 500,000                  |
| Purchase of Non current Investment & long term loans          | (44,838,872)             | -                        |
| Interest received   | 15,442,883               | 21,791,153               |
| Dividends received  | 2,210                    | 2,240                    |
| <b>Net Cash from Investing Activities</b>                     | <b>(51,613,660)</b>      | <b>(90,558,353)</b>      |
| <b>C. Cash flows from Financing Activities</b>                |                          |                          |
| 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)             |
| <b>Net cash from Financing Activities</b>                     | <b>131,585,569</b>       | <b>(459,879,831)</b>     |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>  | <b>(74,421,441)</b>      | <b>(97,679,357)</b>      |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>174,320,938</b>       | <b>272,000,295</b>       |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>99,899,497</b>        | <b>174,320,938</b>       |

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

**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.

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

(In Rs.)

| Particulars | As at<br>31st March 2013 | As at<br>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) | <b>160,000,000</b> | <b>160,000,000</b> |

#### 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) | <b>135,600,000</b> | <b>135,600,000</b> |
| Total  | <b>135,600,000</b> | <b>135,600,000</b> |

#### 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       | <b>1,35,60,000</b> | <b>135,600,000</b> | <b>1,35,60,000</b> | <b>135,600,000</b> |

#### 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

|  | Year (Aggregate number of shares) |           |
|--|-----------------------------------|-----------|
| Equity Shares  | 2012-13                           | 2011-12   |
| A) Aggregate number of shares allotted as fully paid up without payment being received in cash | 751,740                           | 751,740   |
| B) Aggregate number of shares allotted 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 pursuant to Scheme of Demerger | -                  | 75,009,630         |
| Balance at the end of the year           | <b>597,765,138</b> | <b>597,765,138</b> |

#### (b) Surplus in Profit Loss Statement

|  |                    |                    |
|--|--------------------|--------------------|
| Balance at the beginning of the year     | 60,325,453         | 330,381,716        |
| Add: Current year transfer               | 10,154,815         | 2,281,750          |
| Less: W/O pursuant to Scheme of Demerger | -                  | 272,338,012        |
| Balance at the end of the year           | 70,480,268         | 60,325,454         |
| <b>Total</b>                             | <b>668,245,406</b> | <b>658,090,592</b> |

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

(In Rs.)

| Particulars                          | As at<br>31st March 2013 | As at<br>31st March 2012 |
|--------------------------------------|--------------------------|--------------------------|
| <b>Note 4 : Long term Borrowings</b> |                          |                          |
| <b>Secured</b>                       |                          |                          |
| Car Loan                             | 3,178,565                | 4,785,823                |
| Total                                | <b>3,178,565</b>         | <b>4,785,823</b>         |

**a) Nature of Security for Long term borrowings**

Car Loan is taken from Kotak Mahindra Prime Ltd and Tata Capital Ltd is secured against hypothecation of cars.

b) There is no default in repayment of principal amount and interest thereon .

**Note 5: Other Long Term Liabilities**

**Unsecured**

|                            |                  |                  |
|----------------------------|------------------|------------------|
| Security deposits Received | 3,819,402        | 3,819,402        |
|                            | <b>3,819,402</b> | <b>3,819,402</b> |

**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          |
|                                 | <b>595,760,598</b> | <b>427,651,167</b> |

**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 mortgage 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



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

**Note 10 - Fixed Assets**

(In Rs.)

| Particulars                   | Gross Block         |                   |                | Depreciation        |                     |                   | Net Block                  |                     |                     |                     |
|-------------------------------|---------------------|-------------------|----------------|---------------------|---------------------|-------------------|----------------------------|---------------------|---------------------|---------------------|
|                               | as at<br>01/04/2012 | Addition          | Deduction      | as on<br>31/03/2013 | up to<br>01/04/2012 | for the<br>Year   | Depreciation<br>Adjustment | up to<br>31/03/2013 | as on<br>31/03/2013 | as on<br>31/03/2012 |
| <b>i) Tangible Assets</b>     |                     |                   |                |                     |                     |                   |                            |                     |                     |                     |
| Land                          | 6,604,618           | 259,584           | -              | 6,864,202           | -                   | -                 | -                          | -                   | 6,864,202           | 6,604,618           |
| Building                      | 19,894,713          | 11,799,280        | -              | 31,693,993          | 534,588             | 495,530           | -                          | 1,030,118           | 30,663,875          | 19,360,125          |
| Factory Building              | 63,170,962          | -                 | 112,864        | 63,058,098          | 10,603,246          | 2,109,910         | -                          | 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         | -              | 11,349,820          | 7,787,134           | 865,285           | -                          | 8,652,419           | 2,697,401           | 2,312,890           |
| Plant & Machinery             | 73,136,528          | 783,802           | -              | 73,920,330          | 14,380,640          | 3,456,234         | -                          | 17,836,874          | 56,083,456          | 58,755,888          |
| Furniture & Fixture           | 34,062,525          | 1,946,254         | -              | 36,008,779          | 17,949,477          | 2,932,584         | -                          | 20,882,061          | 15,126,718          | 16,113,048          |
| Motor Vehicles                | 11,694,424          | 65,143            | -              | 11,759,567          | 4,294,643           | 1,507,468         | -                          | 5,802,111           | 5,957,456           | 7,399,781           |
| Leasehold Improvements        | 4,171,457           | 1,899,270         | -              | 6,070,727           | 666,331             | 233,171           | -                          | 899,502             | 5,171,225           | 3,505,126           |
| <b>Total of (i)</b>           | <b>226,908,755</b>  | <b>18,898,761</b> | <b>278,552</b> | <b>245,528,964</b>  | <b>57,971,424</b>   | <b>11,910,076</b> | <b>40,165</b>              | <b>69,841,335</b>   | <b>175,687,623</b>  | <b>168,937,331</b>  |
| <b>ii) Intangible Assets</b>  |                     |                   |                |                     |                     |                   |                            |                     |                     |                     |
| Computer Software             | 3,567,504           | 1,025,716         | -              | 4,593,220           | 2,162,576           | 581,918           | -                          | 2,744,494           | 1,848,726           | 1,404,928           |
| <b>Total of (ii)</b>          | <b>3,567,504</b>    | <b>1,025,716</b>  | <b>-</b>       | <b>4,593,220</b>    | <b>2,162,576</b>    | <b>581,918</b>    | <b>-</b>                   | <b>2,744,494</b>    | <b>1,848,726</b>    | <b>1,404,928</b>    |
| <b>Grand Total (i+ii)</b>     | <b>230,476,259</b>  | <b>19,924,477</b> | <b>278,552</b> | <b>250,122,184</b>  | <b>60,134,000</b>   | <b>12,491,994</b> | <b>40,165</b>              | <b>72,585,829</b>   | <b>177,536,349</b>  | <b>170,342,259</b>  |
| 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         | -                   |
| iii) Capital Work in Progress |                     |                   |                |                     |                     |                   |                            |                     | <b>100,147,223</b>  | 100,745,050         |

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

(In Rs.)

| Particulars  | As at<br>31st March 2013 | As at<br>31st March 2012 |
|--|--------------------------|--------------------------|
| <b>Note 7 : Trade Payables</b>   |                          |                          |
| Payables for goods & Services  | 89,840,161               | 67,191,079               |
| Payables to Managing Director  | 93,689                   | 100,000                  |
|  | <b>89,933,850</b>        | <b>67,291,079</b>        |
| <b>Note 8: Other Current Liabilities</b>   |                          |                          |
| 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                  |
|  | <b>9,956,548</b>         | <b>63,903,544</b>        |
| <b>Note 9: Short Term Provisions</b>   |                          |                          |
| 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                |
|  | <b>10,423,029</b>        | <b>10,985,693</b>        |
| <b>Note 11 : Non Current Investments</b>   |                          |                          |
| Non Trade - Unquoted   |                          |                          |
| Name of Company  | Face Value               | Nos.                     |
| Saraswat Co Op Bank Ltd  | 10                       | 1,000                    |
|  | 10,000                   | 10,000                   |
| <b>Investment in wholly owned subsidiaries (fully paid up unless otherwise stated)</b> |                          |                          |
| 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                  |
|  | <b>31,988,272</b>        | <b>19,958,400</b>        |
| <b>Note 12 : Long term Loans and advances</b>  |                          |                          |
| Unsecured, considered good   |                          |                          |
| Capital Expenditure Advances   | 67,909,000               | 35,100,000               |
|  | <b>67,909,000</b>        | <b>35,100,000</b>        |
| <b>Note 13 : Inventories</b>   |                          |                          |
| (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              |
|  | <b>188,601,479</b>       | <b>233,585,754</b>       |
| <b>Note 14 : Trade Receivables</b>   |                          |                          |
| 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 Subsidiary   | 34,547,635               | 25,816,957               |
| Receivable from Directors & Related parties  | 79,415,874               | 9,022                    |
|  | <b>740,324,756</b>       | <b>500,300,507</b>       |

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

(In Rs.)

| Particulars  | As at<br>31st March 2013 | As at<br>31st March 2012 |
|--|--------------------------|--------------------------|
| <b>Note 15 : Cash and Bank Balances</b>  |                          |                          |
| 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                  |
|  | <b>99,899,497</b>        | <b>174,320,938</b>       |
| <p>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 overdraft account balance of Oriental Bank of Commerce.</p> |                          |                          |
| <b>Note 16 : Short term Loans and advances</b>   |                          |                          |
| Unsecured, considered good unless otherwise stated   |                          |                          |
| Advances to employees  | 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               |
|  | <b>122,150,640</b>       | <b>143,999,988</b>       |
| <b>Note 17 : Other Current Assets</b>  |                          |                          |
| DFIA/DFRC import licenses  | 6,882,224                | 2,367,560                |
| Interest accrued but not due on deposits   | 68,702                   | 32,292                   |
|  | <b>6,950,926</b>         | <b>2,399,852</b>         |
| <b>Note 18 : Revenue from Operations</b>   |                          |                          |
| <b>Sale of Products</b>  |                          |                          |
| - Trade Goods  | 1,033,151,363            | 868,394,112              |
| - Manufactured Goods   | 172,066,060              | 242,355,763              |
| <b>Export Sales</b>  |                          |                          |
| - 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               |
| <b>Gross Sales</b>   | <b>2,385,473,834</b>     | <b>1,407,619,118</b>     |
| Less : Inter Department Transfer   | 9,370,411                | 7,097,373                |
| <b>Net Sales</b>   | <b>2,376,103,424</b>     | <b>1,400,521,745</b>     |
| <b>Note 19 : Other Operating Revenue</b>   |                          |                          |
| 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                  |
|  | <b>7,059,446</b>         | <b>8,043,102</b>         |

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

(In Rs.)

| Particulars   | As at<br>31st March 2013 | As at<br>31st March 2012 |
|---|--------------------------|--------------------------|
| <b>Note 20 : Other Income</b>                       |                          |                          |
| 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                   |
|   | <b>37,385,308</b>        | <b>35,778,433</b>        |
| <b>Note 21: Cost of Material Consumed</b>           |                          |                          |
| 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               |
|   | <b>140,525,155</b>       | <b>188,253,371</b>       |
| <b>Note 22 : Trade Purchases</b>                    |                          |                          |
| 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                |
| <b>Net Purchase</b>                                 | <b>1,874,979,804</b>     | <b>964,554,885</b>       |
| <b>Note 23 : Increase (Decrease) in Inventories</b> |                          |                          |
| 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)   | <b>172,496,880</b>       | <b>152,410,745</b>       |
| 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)   | <b>146,317,022</b>       | <b>175,898,436</b>       |
| (A) -(B)  | <b>26,179,858</b>        | <b>(23,487,691)</b>      |
| <b>Note 24 : Employee Compensation</b>              |                          |                          |
| 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                |
|   | <b>123,605,780</b>       | <b>107,807,054</b>       |
| <b>Note 25 : Finance Expenses</b>                   |                          |                          |
| 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               |
|   | <b>47,409,249</b>        | <b>50,299,700</b>        |

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

(In Rs.)

| Particulars                          | As at<br>31st March 2013 | As at<br>31st March 2012 |
|--------------------------------------|--------------------------|--------------------------|
| <b>Note 26 : Other Expenses</b>      |                          |                          |
| 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                |                          |                          |
| - 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               |                          |                          |
| - 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                | -                        |
| 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         | 14,267,599               | 5,654,883                |
| Bad Debts                            | 29,834,371               | -                        |
| Sundry Balances Written off          | 348,683                  |                          |
| Wealth Tax                           | -                        | 50,000                   |
| Prior Period Items (net)             | 427,353                  | 416,649                  |
| Miscellaneous Expenses               | 2,229,022                | 3,669,260                |
|                                      | <b>146,801,127</b>       | <b>107,751,358</b>       |

## 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          | -               | -                |
| <b>Net expenses</b>        | <b>6,44,603</b> | <b>10,42,745</b> |

(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      | 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          |
| <b>Net Assets / (Liability)</b> | <b>(2,44,603)</b> | <b>(8,42,745)</b> |

(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)       |
| <b>Closing defined benefit obligation</b> | <b>44,69,514</b> | <b>38,59,658</b> |

(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)       | -                |
| <b>Fair Value of the assets</b>                           | <b>42,24,911</b> | <b>30,16,913</b> |

(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 Mortality (2006-08) (Ultimate) |            |

## 29. Contingent Liabilities

(In Rs.)

| 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        | -                   |
| <b>Total</b>                | <b>7,92,09,576</b> | <b>20,63,34,617</b> |

### 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         |
|--|--------------------|--------------------|
| <b>Deferred Tax Liabilities</b>                            |                    |                    |
| 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             |
| <b>Total</b>   | <b>2,13,16,569</b> | <b>1,09,33,297</b> |
| <b>Deferred Tax Assets</b>                                 |                    |                    |
| On account of expenses incurred on demerger                | -                  | 4,98,735           |
| Expenditures disallowed u/s 43B                            | 27,25,825          | 18,09,114          |
| <b>Deferred Tax Liabilities (Net)</b>                      | <b>1,85,90,744</b> | <b>86,25,448</b>   |

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)

(In Rs.)

| 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 | 1,12,864        | -               |
| <b>Total expenses</b>                            | <b>4,72,353</b> | <b>7,80,891</b> |
| <b>Less : Income</b>                             |                 |                 |
| Capitalisation of expenses accounted as revenue  | -               | (3,64,242)      |
| <b>Prior Period (Income) / Expenses – (net)</b>  | <b>4,72,353</b> | <b>4,16,649</b> |

**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<br>(USD 10,00,000) | Hedge of buyers credit & towards exports | <b>5,48,12,500</b> | 5,11,56,500 |

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)   | <b>24,33,72,120</b> | 193,354,388 |
| Liabilities (Payable) | <b>35,73,04,993</b> | 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  | <b>235,88,68,323</b> |
|                 | (113,95,04,363) | (22,48,31,575) | (136,43,35,938)      |
| *Segment Assets | 65,58,24,547    | 8,45,00,209    | <b>74,03,24,756</b>  |
|                 | (41,17,62,155)  | (8,85,38,352)  | (50,03,00,507)       |

(Figures in bracket indicate previous year's figures)

\*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

**Place :** Mumbai

**Date :** 30th May 2013

**V. D. Ajgaonkar**  
Director

**Nishi Vijay Vargiya**  
Company Secretary & Compliance Officer

#### 40. Information on Related Party Disclosure

|  |  |
|--|--|
| A. Enterprises where control exists.<br>Subsidiaries   | Vedanta Creations Ltd.<br>Bang Europa SRO<br>Bang HK Limited<br>A. S. Raiment Pvt Ltd (w.e.f. 29.06.2012)                                |
| B. Key Managerial Persons (KMP)  | Venugopal Bang (Resigned on 14.02.2013)<br>Brijgopal Bang<br>Purshottam Bang (w.e.f. 14.02.2013)<br>Raghavendra Bang (w.e.f. 14.02.2013) |
| C. Relatives of Key Managerial Persons   | Balaram Bang<br>Radhadevi Bang<br>Girdhargopal Bang<br>Rajgopal Bang<br>Nandgopal Bang   |
| D. Enterprises owned or significantly influenced<br>by key management personnel or their relatives | 1) Bang Data Forms Pvt. Ltd.<br>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   |
|--|-------------|--------------|
| <b>Subsidiaries</b>                                    |             |              |
| <b>Vedanta Creations Ltd.</b>                          |             |              |
| 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) |
| <b>Bang Europa SRO</b>                                 |             |              |
| 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   |
| <b>Bang HK Limited</b>                                 |             |              |
| Sale of finished goods / raw materials etc.            | 259,487     | -            |
| Outstanding as on 31st March 2013                      | 258,726     | -            |
| <b>A. S. Raiment Pvt Ltd</b>                           |             |              |
| Investment in equity shares                            | 12,029,872  | -            |
| Loan given   | 4,008,630   | -            |
| Outstanding Receivable as on 31st March 2013           | 4,257,095   | -            |
| <b>Key Managerial Persons (KMP)</b>                    |             |              |
| <b>Venugopal Bang</b>                                  |             |              |
| 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      |
| <b>Brijgopal Bang</b>                                  |             |              |
| 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   |

(In Rs.)

| Particulars   | 31.03.2013  | 31.03.2012 |
|---|-------------|------------|
| <b>Purshottam Bang</b>  |             |            |
| Interest paid   | 473,148     | -          |
| Salary paid   | 227,400     | -          |
| Outstanding payable as on 31st March 2013   | 4,854,158   | -          |
| <b>Relatives of Key Managerial Persons</b>  |             |            |
| <b>Balaram Bang</b>   |             |            |
| 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 |
| <b>Radhadevi Bang</b>   |             |            |
| Interest paid   | 348,939     | 314,927    |
| Outstanding payable as on 31st March 2013   | 3,579,857   | 3,230,918  |
| <b>Girdhargopal Bang</b>  |             |            |
| Loans repaid  | -           | 4,387,413  |
| Interest paid   | -           | 229,930    |
| Outstanding payable as on 31st March 2013   | -           | -          |
| <b>Rajgopal Bang</b>  |             |            |
| Interest paid   | 262,770     | 237,157    |
| Outstanding payable as on 31st March 2013   | 2,695,825   | 2,433,055  |
| <b>Nandgopal Bang</b>   |             |            |
| Loans repaid  | 59,588      | -          |
| Interest paid   | 3,187       | 5,498      |
| Outstanding payable as on 31st March 2013   | NIL         | 56,401     |
| <b>Enterprises owned or significantly influenced by key management personnel or their relatives</b> |             |            |
| <b>Bang Data Forms Pvt. Ltd.</b>  |             |            |
| 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  |
| <b>Thomas Scott India Ltd.</b>  |             |            |
| 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   | -           | 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**  
Director

**Nishi Vijay Vargiya**  
Company Secretary & Compliance Officer

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

(In Rs.)

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

**4 Imported and indigenous raw materials**

(In Rs.)

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

**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 of 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)                     | -                 |

\* 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**  
Chairman & Managing Director

**V. D. Ajgaonkar**  
Director

**Nishi Vijay Vargiya**  
Company Secretary & Compliance Officer

Place : Mumbai

Date : 30th May 2013

**CONSOLIDATED INDEPENDENT AUDITOR'S REPORT**

To,

The Board of Directors  
Bang Overseas Limited

1. 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.
2. 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.
3. 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.
4. 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 assessment 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.
5. 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.
6. 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.
7. 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.)

| Particulars                                    | Note | As at 31st<br>March 2013 | As at 31st<br>March 2012 |
|--|------|--------------------------|--------------------------|
| <b>EQUITY AND LIABILITIES</b>                  |      |                          |                          |
| Shareholder's Funds                            |      |                          |                          |
| Share Capital                                  | 2    | 135,600,000              | 135,600,000              |
| Reserves and Surplus                           | 3    | 757,813,041              | 755,332,057              |
|  |      | <b>893,413,041</b>       | <b>890,932,057</b>       |
| <b>Non-Current Liabilities</b>                 |      |                          |                          |
| Long-term borrowings                           | 4    | 3,178,565                | 4,785,823                |
| Deferred tax liabilities (Net) (Refer Note 32) |      | 18,590,293               | 8,499,255                |
| Other Long term liabilities                    | 5    | 3,819,402                | 3,819,402                |
|  |      | <b>25,588,260</b>        | <b>17,104,480</b>        |
| Current Liabilities                            |      |                          |                          |
| <b>Short-term borrowings</b>                   |      |                          |                          |
| Trade payables                                 | 6    | 709,683,055              | 524,081,728              |
| Other current liabilities                      | 7    | 137,320,073              | 116,881,417              |
| Short-term provisions                          | 8    | 11,845,043               | 34,206,128               |
|  | 9    | 11,251,915               | 11,575,707               |
|  |      | <b>870,100,086</b>       | <b>686,744,980</b>       |
| <b>Total</b>                                   |      | <b>1,789,101,387</b>     | <b>1,594,781,517</b>     |
| <b>ASSETS</b>                                  |      |                          |                          |
| <b>Non-current assets</b>                      |      |                          |                          |
| <b>Fixed assets</b>                            |      |                          |                          |
| Tangible assets                                | 10   | 191,365,341              | 175,970,049              |
| Intangible assets                              |      | 1,848,726                | 1,404,928                |
| Capital Work In progress                       |      | 100,147,223              | 100,745,050              |
| Non-current investments                        | 11   | 5,010,000                | 5,010,000                |
| Long term loans and advances                   | 12   | 67,909,000               | 35,100,000               |
| Other non-current assets                       | 13   | 9,269                    | -                        |
|  |      | <b>366,289,559</b>       | <b>318,230,027</b>       |
| <b>Current assets</b>                          |      |                          |                          |
| Inventories                                    | 14   | 277,531,176              | 342,652,061              |
| Trade receivables                              | 15   | 840,366,491              | 590,985,510              |
| Cash and bank balances                         | 16   | 120,282,705              | 191,223,355              |
| Short-term loans and advances                  | 17   | 177,282,444              | 149,014,739              |
| Other current assets                           | 18   | 7,349,011                | 2,675,825                |
|  |      | <b>1,422,811,828</b>     | <b>1,276,551,490</b>     |
| <b>Total</b>                                   |      | <b>1,789,101,387</b>     | <b>1,594,781,517</b>     |

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

**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



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

(In Rs.)

| Particulars   | Note | As at 31st<br>March 2013    | As at 31st<br>March 2012    |
|---|------|-----------------------------|-----------------------------|
| <b>INCOME</b>   |      |                             |                             |
| 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   |      | <u>2,712,601,492</u>        | <u>1,752,390,238</u>        |
| Other Operating Revenue   | 20   | 7,059,446                   | 8,895,175                   |
| Other Income  | 21   | 42,235,060                  | 37,014,604                  |
| <b>Total Revenue</b>  |      | <b><u>2,761,895,998</u></b> | <b><u>1,798,300,017</u></b> |
| <b>EXPENSES</b>   |      |                             |                             |
| 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                 |
| <b>Total Expenses</b>   |      | <b><u>2,725,842,245</u></b> | <b><u>1,798,732,064</u></b> |
| Profit before exceptional and extraordinary items and tax                     |      | 36,053,753                  | (423,047)                   |
| Exceptional Items   |      | -                           | 29,230                      |
| Profit before tax   |      | <b><u>36,053,753</u></b>    | <b><u>(452,277)</u></b>     |
| Tax expenses:   |      |                             |                             |
| (1) Current tax   |      | 13,066,861                  | 264,375                     |
| (2) Deferred tax  |      | 9,901,519                   | (1,870,124)                 |
| Profit / (Loss) for the year  |      | <b><u>13,085,373</u></b>    | <b><u>1,153,472</u></b>     |
| Earning per equity share: (Refer Note 33)                                     |      |                             |                             |
| (1) Basic   |      | 0.96                        | 0.09                        |
| (2) Diluted   |      | 0.96                        | 0.09                        |

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

**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 &amp; Managing Director

Place : Mumbai

Date : 30th May 2013

**V. D. Ajgaonkar**

Director

**Nishi Vijay Vargiya**

Company Secretary &amp; Compliance Officer

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

(In Rs.)

| Particulars   | As at 31st<br>March 2013 | As at 31st<br>March 2012 |
|---|--------------------------|--------------------------|
| <b>A. Cash flow from Operating Activities</b>                 |                          |                          |
| <b>Net profit before taxation</b>                             | 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  | -                        | 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               |
| <b>Operating profit before Working Capital changes</b>        | <b>73,353,977</b>        | 28,741,147               |
| <b>Changes in</b>   |                          |                          |
| 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                                | <b>(154,647,913)</b>     | <b>427,855,627</b>       |
| Direct taxes paid (net)                                       | (10,082,363)             | (1,132,444)              |
| <b>Net Cash from Operating Activities</b>                     | <b>(164,730,276)</b>     | <b>426,723,183</b>       |
| <b>B. Cash flows from Investing activities</b>                |                          |                          |
| 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                    |
| <b>Net Cash from Investing Activities</b>                     | <b>(51,503,710)</b>      | <b>(100,023,990)</b>     |
| <b>C. Cash flows from Financing Activities</b>                |                          |                          |
| 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)             |
| <b>Net cash from Financing Activities</b>                     | <b>145,293,336</b>       | <b>(420,559,957)</b>     |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>  | <b>(70,940,650)</b>      | <b>(93,860,764)</b>      |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>191,223,355</b>       | <b>285,084,119</b>       |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>120,282,705</b>       | <b>191,223,355</b>       |

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

## **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 in 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.

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

(In Rs.)

| Particulars  | As at<br>31st March 2013 | As at<br>31st March 2012 |
|--|--------------------------|--------------------------|
| <b>Note 2 : Share Capital</b>  |                          |                          |
| <b>Authorised</b>  |                          |                          |
| 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)  | <b>160,000,000</b>       | 160,000,000              |
| <b>Issued, Subscribed &amp; Paid up</b>  |                          |                          |
| 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  | <b>135,600,000</b>       | 135,600,000              |
| <b>Note 3 : Reserves &amp; Surplus</b>   |                          |                          |
| <b>(a) Capital Reserve on Consolidation</b>  | <b>5,139,017</b>         | <b>12,347,600</b>        |
| <b>(b) General Reserve</b>   | <b>4,915,173</b>         | <b>4,915,173</b>         |
| <b>(c) Securities Premium Account</b>  |                          |                          |
| Balance at the beginning of the year   | 600,892,638              | 675,902,268              |
| Less: W/O pursuant to Scheme of Demerger   | -                        | 75,009,630               |
| Balance at the end of the year   | <b>600,892,638</b>       | <b>600,892,638</b>       |
| <b>(d) Surplus in Profit Loss Statement</b>  |                          |                          |
| 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 pursuant to Scheme of Demerger   | -                        | 272,338,012              |
| Balance at the end of the year   | <b>165,707,194</b>       | <b>152,621,821</b>       |
| Less : Elimination of Profit on consolidation  | 18,840,981               | 15,445,175               |
| <b>Total</b>   | <b>757,813,041</b>       | <b>755,332,057</b>       |
| <b>Note 4 : Long term Borrowings</b>   |                          |                          |
| Secured  |                          |                          |
| Car Loan   | 3,178,565                | 4,785,823                |
| <b>Total</b>   | <b>3,178,565</b>         | <b>4,785,823</b>         |
| <b>a) Nature of Security for Long term borrowings</b>  |                          |                          |
| Car Loan is taken from Kotak Mahindra Prime Ltd and Tata Capital Ltd is secured against hypothecation of cars. |                          |                          |
| <b>b) There is no default in repayment of principal amount and interest thereon .</b>                          |                          |                          |
| <b>Note 5: Other Long Term Liabilities</b>   |                          |                          |
| <b>Unsecured</b>   |                          |                          |
| Security deposits Received   | 3,819,402                | 3,819,402                |
|  | <b>3,819,402</b>         | <b>3,819,402</b>         |
| <b>Note 6 : Short tem borrowings</b>   |                          |                          |
| <b>Secured</b>   |                          |                          |
| 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               | -                        |
| <b>Unsecured</b>   |                          |                          |
| 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                |
|  | <b>709,683,055</b>       | <b>524,081,728</b>       |

**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 mortgage 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

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

### Note 10 - Fixed Assets

(In Rs.)

| Particulars                          | Gross Block         |                   |                  | Depreciation       |                     |                   | Net Block                  |                    |                    |                    |
|--------------------------------------|---------------------|-------------------|------------------|--------------------|---------------------|-------------------|----------------------------|--------------------|--------------------|--------------------|
|                                      | as at<br>01/04/2012 | Addition          | Deduction        | as on<br>31/3/2012 | up to<br>01/04/2012 | for the<br>year   | Depreciation<br>Adjustment | up to<br>31/3/2013 | as on<br>31/3/2013 | as on<br>31/3/2012 |
| <b>i) Tangible Assets</b>            |                     |                   |                  |                    |                     |                   |                            |                    |                    |                    |
| Land                                 | 6,604,618           | 1,302,684         | -                | 7,907,302          | -                   | -                 | -                          | -                  | 7,907,302          | 6,604,618          |
| Building                             | 19,894,713          | 11,799,280        | -                | 31,693,993         | 534,588             | 495,530           | -                          | 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         | -                | 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         | -                | 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 Improvements               | 6,027,764           | 1,965,644         | -                | 7,993,408          | 778,328             | 560,905           | -                          | 1,339,233          | 6,654,175          | 5,249,436          |
| <b>Total of (i)</b>                  | <b>236,985,516</b>  | <b>30,642,320</b> | <b>2,327,752</b> | <b>265,300,084</b> | <b>61,015,467</b>   | <b>13,676,627</b> | <b>757,357</b>             | <b>73,934,738</b>  | <b>191,365,341</b> | <b>175,970,049</b> |
| <b>ii) Intangible Assets</b>         |                     |                   |                  |                    |                     |                   |                            |                    |                    |                    |
| Computer Software                    | 3,567,504           | 1,025,716         | -                | 4,593,220          | 2,162,576           | 581,918           | -                          | 2,744,494          | 1,848,726          | 1,404,928          |
| <b>Total of (ii)</b>                 | <b>3,567,504</b>    | <b>1,025,716</b>  | <b>-</b>         | <b>4,593,220</b>   | <b>2,162,576</b>    | <b>581,918</b>    | <b>-</b>                   | <b>2,744,494</b>   | <b>1,848,726</b>   | <b>1,404,928</b>   |
| <b>Grand Total (i+ii)</b>            | <b>240,553,020</b>  | <b>31,668,036</b> | <b>2,327,752</b> | <b>269,893,304</b> | <b>63,178,043</b>   | <b>14,258,546</b> | <b>757,357</b>             | <b>76,679,232</b>  | <b>193,214,067</b> | <b>177,374,977</b> |
| 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        | -                  |
| <b>iii) Capital Work in progress</b> | -                   | -                 | -                | -                  | -                   | -                 | -                          | -                  | <b>100,147,223</b> | 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.

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

(In Rs.)

| Particulars   | As at<br>31st March 2013 | As at<br>31st March 2012 |
|---|--------------------------|--------------------------|
| <b>Note 7 : Trade Payables</b>                      |                          |                          |
| Payables for goods & Services                       | 137,226,384              | 116,781,417              |
| Payables to Managing Director                       | 93,689                   | 100,000                  |
|   | <b>137,320,073</b>       | <b>116,881,417</b>       |
| <b>Note 8: Other Current Liabilities</b>            |                          |                          |
| Statutory Liabilities                               | 6,140,556                | 5,760,909                |
| Payable for Capital Expenditures                    | -                        | 1,147,829                |
| Interest accrued but not due on loans               | 3,367,391                | 25,779,913               |
| Advances from customers                             | 2,337,095                | 1,517,477                |
|   | <b>11,845,043</b>        | <b>34,206,128</b>        |
| <b>Note 9: Short Term Provisions</b>                |                          |                          |
| Provision for employee benefits                     | 10,577,302               | 8,300,245                |
| Provision for gratuity                              | 674,613                  | 1,096,530                |
| Provision for Excise Duty                           | -                        | 2,178,932                |
|   | <b>11,251,915</b>        | <b>11,575,707</b>        |
| <b>Note 11 : Non Current Investments</b>            |                          |                          |
| Non Trade - Unquoted                                |                          |                          |
| <b>Name of Company</b>                              | <b>Face Value</b>        | <b>Nos.</b>              |
| Saraswat Co Op Bank Ltd                             | 10                       | 1,000                    |
| Excel Agencies Pvt Ltd                              | 10                       | 5000                     |
| N.K. Overseas Pvt Ltd                               | 100                      | 500                      |
|   |                          |                          |
|   | 10,000                   | 10,000                   |
|   | 2,500,000                | 2,500,000                |
|   | 2,500,000                | 2,500,000                |
|   | <b>5,010,000</b>         | <b>5,010,000</b>         |
| <b>Note 12 : Long term Loans and advances</b>       |                          |                          |
| Unsecured, considered good                          |                          |                          |
| Capital Expenditure Advances                        | 67,909,000               | 35,100,000               |
|   | <b>67,909,000</b>        | <b>35,100,000</b>        |
| <b>Note 13 : Other Non Current Assets</b>           |                          |                          |
| Preliminary Expenses                                | 9,269                    | -                        |
|   | <b>9,269</b>             | -                        |
| <b>Note 14 : Inventories</b>                        |                          |                          |
| (As taken, Valued & Certified by the Management)    |                          |                          |
| Raw Materials and components                        | 52,360,008               | 81,789,196               |
| Work In Progress                                    | -                        | 3,873,840                |
| Finished goods                                      | 11,129,781               | 18,780,330               |
| Trade goods   | 214,041,387              | 238,208,695              |
|   | <b>277,531,176</b>       | <b>342,652,061</b>       |
| <b>Note 15 : Trade Receivables</b>                  |                          |                          |
| Unsecured, considered good unless otherwise stated  |                          |                          |
| Debts outstanding for a period exceeding six months | 215,478,573              | 302,548,030              |
| Other Debts   | 543,280,267              | 288,428,457              |
| Receivable from Directors & Relatives               | 81,607,651               | 9,023                    |
|   | <b>840,366,491</b>       | <b>590,985,510</b>       |



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

(In Rs.)

| Particulars                             | As at<br>31st March 2013 | As at<br>31st March 2012 |
|---|--------------------------|--------------------------|
| <b>Note 16 : Cash and Bank Balances</b> |                          |                          |
| 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                  |
|   | <b>120,282,705</b>       | <b>191,223,355</b>       |

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 overdraft account balance of Oriental Bank of Commerce.

### Note 17 : Short term Loans and advances

Unsecured, considered good unless otherwise stated

|   |                    |                    |
|---|--------------------|--------------------|
| Advances to employees                         | 26,850,605         | 749,365            |
| Advances towards purchase of goods / services | 61,659,971         | 60,569,205         |
| Receivable from related parties               | -                  | 1,133,790          |
| Advance Tax & T.D.S. (Net of provisions)      | 7,202,171          | 8,759,759          |
| Prepaid expenses                              | 3,879,175          | 5,310,044          |
| Balances with Government authorities          | 6,154,052          | 4,513,899          |
| Insurance Claim receivables                   | 2,466,361          | -                  |
| Security Deposits                             | 9,070,108          | 7,978,677          |
| Deposits with financial institutions          | 60,000,000         | 60,000,000         |
|   | <b>177,282,444</b> | <b>149,014,739</b> |

### Note 18 : Other Current Assets

|  |                  |                  |
|--|------------------|------------------|
| DFIA/DFRC import licenses                | 7,280,309        | 2,643,533        |
| Interest accrued but not due on deposits | 68,702           | 32,292           |
|  | <b>7,349,011</b> | <b>2,675,825</b> |

### Note 19 : Revenue from Operations

#### Sale of Products

|                      |               |               |
|----------------------|---------------|---------------|
| - Trade Goods        | 1,442,017,528 | 1,182,346,236 |
| - Manufactured Goods | 303,930,891   | 447,600,651   |

#### Export Sales

|                      |             |             |
|----------------------|-------------|-------------|
| - Trade Goods        | 877,911,559 | 162,982,774 |
| - Manufactured Goods | 33,231,019  | 61,848,801  |

Jobwork Charges/Scrap Sales

82,116,008                      64,940,296

#### Gross Sales

2,739,207,004                      1,919,718,758

Less : Inter Department Transfer

9,370,411                              131,142,713

#### Net Sales

**2,729,836,594                      1,788,576,045**

### Note 20 : Other Operating Revenue

|   |                  |                  |
|---|------------------|------------------|
| Duty drawback/DEPB incentives                       | 4,897,431        | 4,923,702        |
| Misellaneous Income                                 | 105,135          | 1,238,608        |
| Decrease in Excise duty provision on finished goods | 2,056,880        | 2,556,210        |
| Commission Received                                 | -                | 176,655          |
|   | <b>7,059,446</b> | <b>8,895,175</b> |

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

(In Rs.)

| Particulars   | As at<br>31st March 2013 | As at<br>31st March 2012 |
|---|--------------------------|--------------------------|
| <b>Note 21 : Other Income</b>                       |                          |                          |
| Interest on Deposits                                | 17,033,389               | 23,027,324               |
| Rent received                                       | 14,029,786               | 13,253,130               |
| Dividend  | 2,210                    | 2,240                    |
| Sundry creditors written off                        | 8,546,577                | 710,474                  |
| Profit on sale of fixed assets                      | -                        | 21,436                   |
| Miscellaneous Receipts                              | 156,737                  | -                        |
| Insurance Claim Receivable                          | 2,466,361                | -                        |
|   | <b>42,235,060</b>        | <b>37,014,604</b>        |
| <b>Note 22: Cost of Material Consumed</b>           |                          |                          |
| Opening stock of Raw Material                       | 61,088,874               | 75,256,524               |
| Add: Purchases of Raw Material                      | 166,885,145              | 273,387,567              |
| Less: Closing stock of Raw Material                 | 42,284,457               | 57,687,318               |
|   | <b>185,689,563</b>       | <b>290,956,773</b>       |
| <b>Note 23 : Trade Purchases</b>                    |                          |                          |
| Trade Purchases                                     | 2,058,806,681            | 1,263,933,482            |
| Jobwork charges                                     | 22,697,760               | 48,196,220               |
|   | 2,081,504,441            | 1,312,129,702            |
| Less : Inter Department Transfer                    | 9,370,411                | 131,142,713              |
| <b>Net Purchase</b>                                 | <b>2,072,134,031</b>     | <b>1,180,986,989</b>     |
| <b>Note 24 : Increase (Decrease) in Inventories</b> |                          |                          |
| <b>Opening Stock</b>                                |                          |                          |
| - Trade Goods                                       | 238,046,585              | 169,115,382              |
| - Work -in - progress                               | 472,284                  | 5,540,119                |
| - Finished Goods                                    | 18,723,776               | 24,043,071               |
| (A)   | <b>257,242,645</b>       | <b>198,698,572</b>       |
| <b>Less: Closing Stock</b>                          |                          |                          |
| - Trade Goods                                       | 214,041,387              | 238,208,695              |
| - Work -in - progress                               | -                        | 3,873,840                |
| - Finished Goods                                    | 11,129,781               | 18,723,776               |
| (B)   | <b>225,171,168</b>       | <b>260,806,311</b>       |
| (A) -(B)  | <b>32,071,477</b>        | <b>(62,107,739)</b>      |
| <b>Note 25 : Employee Compensation</b>              |                          |                          |
| Salaries, Wages, and Bonus                          | 140,892,828              | 128,478,950              |
| Contribution to Provident Fund and other fund       | 9,943,453                | 9,190,686                |
| Gratuity Expenses                                   | 845,721                  | 1,345,057                |
| Workmen and staff welfare expenses                  | 3,932,565                | 4,541,465                |
|   | <b>155,614,566</b>       | <b>143,556,158</b>       |

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

(In Rs.)

| Particulars                          | As at<br>31st March 2013 | As at<br>31st March 2012 |
|--------------------------------------|--------------------------|--------------------------|
| <b>Note 26 : Finance Expenses</b>    |                          |                          |
| 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               |
|                                      | <u>53,414,652</u>        | <u>57,113,115</u>        |
| <b>Note 27 : Other Expenses</b>      |                          |                          |
| 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               | -                        |
| Sundry Balances Written off          | 348,683                  | 137,414                  |
| Wealth Tax                           | -                        | 50,000                   |
| Prior Period Items (net)             | 427,353                  | 416,649                  |
| Miscellaneous Expenses               | 5,532,425                | 6,374,834                |
|                                      | <u>212,659,412</u>       | <u>174,382,797</u>       |

## 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   | <b>271,26,01,492</b> |
|                 | (113,95,04,363) | (61,28,85,875) | (175,23,90,238)      |
| *Segment Assets | 75,58,66,282    | 8,45,00,209    | <b>84,03,66,491</b>  |
|                 | (41,17,62,155)  | (17,92,23,355) | (59,09,85,510)       |

(Figures in bracket indicate previous year's figures)

\*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.

### 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                           | <b>91,24,048</b>   | 81,39,572  |
| Due later than one year but not later than five years | <b>1,34,50,276</b> | 81,27,977  |
| Later than five years                                 | <b>NIL</b>         | 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:

(In Rs.)

| 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          | -               | -                |
| <b>Net expenses</b>        | <b>8,45,721</b> | <b>13,45,057</b> |

**(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          |
| <b>Net Assets / (Liability)</b> | <b>(6,74,613)</b> | <b>(10,96,530)</b> |

**(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)       |
| <b>Closing defined benefit obligation</b> | <b>52,71,277</b> | <b>44,36,521</b> |

**(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)       | -                |
| <b>Fair Value of the assets</b>                           | <b>45,96,664</b> | <b>33,39,991</b> |

**(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 Mortality (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        | -                   |
| <b>Total</b>                         | <b>8,32,12,896</b> | <b>20,63,34,617</b> |

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       |
|--|--------------------|------------------|
| <b>Deferred Tax Liabilities</b>  |                    |                  |
| 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      |
| <b>Deferred Tax Assets</b>   |                    |                  |
| On account of expenses incurred on demerger  | -                  | (4,98,735)       |
| Expenditures disallowed u/s 43B  | 27,25,825          | (18,88,608)      |
| <b>Deferred Tax Liabilities (Net)</b>  | <b>1,85,90,293</b> | <b>84,99,255</b> |

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)

(In Rs.)

| 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        | -               |
| <b>Total expenses</b>                            | <b>4,27,353</b> | <b>7,80,891</b> |
| <b>Less : Income</b>                             |                 |                 |
| Capitalisation of expenses accounted as revenue  | -               | (3,64,242)      |
| <b>Prior Period (Income) / Expenses – (net)</b>  | <b>4,27,353</b> | <b>4,16,649</b> |

### 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<br>(USD 10,00,000) | Hedge of buyers credit & towards exports | <b>5,48,12,500</b> | 5,11,56,500 |

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)   | <b>24,72,18,801</b> | 193,354,388  |
| Liabilities (Payable) | <b>48,42,72,412</b> | 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

Place : Mumbai

Date : 30th May 2013

**V. D. Ajgaonkar**  
Director

**Nishi Vijay Vargiya**  
Company Secretary & Compliance Officer

## 41. Information on Related Party Disclosure

|   |   |
|---|---|
| A. Key Managerial Persons (KMP)   | Venugopal Bang (Resigned on 14.02.2013)<br>Brijgopal Bang<br>Raghavendra Bang (w.e.f. 14.02.2013)<br>Purshottam Bang (w.e.f. 14.02.2013)<br>Laxminiwas Bang |
| B. Relatives of Key Managerial Persons  | Balaram Bang<br>Radhadevi Bang<br>Girdhargopal Bang<br>Rajgopal Bang<br>Nandgopal Bang<br>Harshvardhan Bang   |
| C. Enterprises owned or significantly influenced by key management personnel or their relatives | Bang Data Forms Pvt. Ltd.<br>Shree Balaji Fabrics<br>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 |
|--|------------|------------|
| <b>Key Managerial Persons (KMP)</b>        |            |            |
| <b>Venugopal Bang</b>                      |            |            |
| Loans taken                                | -          | 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    |
| <b>Brijgopal Bang</b>                      |            |            |
| 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  |
| <b>Purshottam Bang</b>                     |            |            |
| Interest paid                              | 473,148    | -          |
| Salary paid                                | 227,400    | -          |
| Outstanding payable as on 31st March 2013  | 4,854,158  | -          |
| <b>Raghavendra Bang</b>                    |            |            |
| 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        |
| <b>Relatives of Key Managerial Persons</b> |            |            |
| <b>Venugopal Bang (HUF)</b>                |            |            |
| Rent Paid                                  | 180,000    | 180,000    |
| Outstanding payable as on 31st March 2013  | NIL        | NIL        |
| <b>Girdhargopal Bang</b>                   |            |            |
| Loans repaid                               | -          | 4,387,413  |
| Interest paid                              | -          | 229,930    |
| Outstanding payable as on 31st March 2013  | -          | NIL        |



| Particulars   | 31.03.2013  | 31.03.2012 |
|---|-------------|------------|
| <b>Balaram Bang</b>   |             |            |
| 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        |
| <b>Radhadevi Bang</b>   |             |            |
| Interest paid   | 348,939     | 314,927    |
| Outstanding payable as on 31st March 2013   | 3,579,857   | 3,230,918  |
| <b>Rajgopal Bang</b>  |             |            |
| Interest paid   | 262,770     | 237,157    |
| Outstanding payable as on 31st March 2013   | 2,695,825   | 2,433,055  |
| <b>Nandgopal Bang</b>   |             |            |
| Loans repaid  | 59,588      | -          |
| Interest paid   | 3,187       | 5,498      |
| Outstanding payable as on 31st March 2013   | NIL         | 56,401     |
| <b>Harshvardhan Bang</b>  |             |            |
| Sale of finished goods/raw material etc   | 10,477      | 1,828      |
| Outstanding Receivable as on 31st March 2013  | 8,041       | NIL        |
| Enterprises owned or significantly influenced by key management<br>personnel or their relatives |             |            |
| <b>Bang Data Forms Pvt. Ltd.</b>  |             |            |
| 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  |
| <b>Thomas Scott India Ltd.</b>  |             |            |
| 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   | -           | 67,336,151 |
| Outstanding Receivable as on 31st March 2013  | 79,266,712  | 1,133,790  |
| <b>Shree Balaji Fabrics</b>   |             |            |
| Sale of finished goods / raw material   | 442,598     | 248,547    |
| Loan taken  | -           | -          |
| Loan repaid   | -           | -          |
| 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

Place : Mumbai

Date : 30th May 2013

**V. D. Ajgaonkar**  
Director

**Nishi Vijay Vargiya**  
Company Secretary & Compliance Officer



— \*\* —

**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

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