



**BANG OVERSEAS LTD.**

ANNUAL REPORT

2013-2014





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## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

Mr. Brijgopal Balaram Bang  
 Mr. Raghvendra Venugopal Bang  
 Mr. Purshottam Bang  
 Dr. Mithilesh Kumar Sinha  
 Mr. Vijay Dattatraya Ajgaonkar  
 Mr. Subrata Kumar Dey

Chairman & Managing Director  
 Whole-Time Director  
 Whole-Time Director  
 Independent Director  
 Independent Director  
 Independent Director

**CHIEF FINANCIAL OFFICER**

Mr. Jaydas Tulshiram Dighe

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Hemali Gohil

**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

**SECRETARIAL AUDITORS**

M/s. Kothari H. & Associates  
 Practicing Company Secretaries  
 208, 2nd Floor, BSE Building,  
 Dalal Street, Fort,  
 Mumbai 400 001.  
 Tel.: (022) 2272 1831  
 E mail: hiteshkotharics@yahoo.co.in

**INTERNAL AUDITORS**

VISHAL KHADE & Co.  
 Chartered Accountants  
 Prerana Apt., 2nd Floor  
 Room No. 12, Parshuramwadi  
 Kolsewadi, Kalyan (E) – 421306

**BANKERS**

Bank of India  
 Oriental Bank of Commerce

**REGISTERED OFFICE**

Masjid Manor, IInd Floor  
 16, Homi Modi Street,  
 Fort, Mumbai- 400 023  
 Tel.: (022) 66607965  
 Fax: (022) 66607970

**CORPORATE OFFICE**

405-406, Kewal Industrial Estate,  
 Senapati Bapat Marg  
 Lower Parel (West), Mumbai- 400 013  
 Tel: (022) 66607969, Fax: (022) 66607970

**CORPORATE IDENTITY NUMBER:**

L51900MH1992PLC067013

**REGISTRAR & TRANSFER AGENT**

Karvy Computershare Pvt. Ltd.  
 Plot No. 17-24 Vittal Rao Nagar,  
 Madhapur, Hyderabad 500 081  
 Tel.: 040- 4465 5000  
 Email: Varghese@karvy.com

**MANUFACTURING UNITS****Unit No. 1-FCC**

19/2, 9th Main, Basavapura Village, Begurhobli,  
 Electronic City Post, Bangalore-560 100, India

**Unit No. 2-RCC**

1941/A & 2011, Gramathana Kacharakanaahalli,  
 Hennur Main Road, Bangalore- 560 084

**WAREHOUSES**

Rajlaxmi Commercial Complex,  
 Gala No.'O' -10/11/12, BD- 201 to 220,  
 Mane Farm House, Opp. Durgesh Park,  
 Kalher Village, Bhiwandi – 421 302.

Reunion Clothing Company  
 Plot No.: Z-5, Phase II, VSEZ,  
 Dauvvada, Visakhapatnam 530 046 (A.P)

Website: [www.banggroup.com](http://www.banggroup.com)

## DIRECTORS' BIOGRAPHY

### **MR. BRIJGOPAL BALARAM BANG - 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.

### **MR. RAGHVENDRA VENUGOPAL BANG- WHOLE –TIME 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 of Marketing & Finance. He is son of Mr. Venugopal Bang who was earlier on Board of Bang Overseas Limited. He is looking overseas operation of the Company.

### **MR. PURSHOTTAM BANG- WHOLE –TIME DIRECTOR**

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

### **DR. MITHILESH KUMAR 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, he 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. VIJAY DATTATRAYA 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 in project finance and other related capital market activities.

### **MR. SUBRATA K. DEY – NON- EXECUTIVE & INDEPENDENT DIRECTOR :**

Mr. Subrata K. Dey is a 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.

## DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting their 22<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statement for the year ended 31st March 2014.

### FINANCIAL RESULTS

(Rs. In Lacs)

Description	Stand Alone		Consolidated	
	Year Ended 31.03.14	Year Ended 31.03.13	Year Ended 31.03.14	Year Ended 31.03.13
Revenue	16337.55	23659.28	19528.73	27196.61
Other Income	311.58	373.85	433.32	422.35
Total Expenditure	15816.79	23120.92	19159.23	26581.7
<b>Earnings before Interest, Depreciation and Tax (EBIDT)</b>	<b>832.34</b>	<b>912.21</b>	<b>802.82</b>	<b>1037.26</b>
Less: Interest	486.60	474.09	531.00	534.15
<b>Earnings Before Depreciation and Tax (EBDT)</b>	<b>345.74</b>	<b>438.12</b>	<b>271.82</b>	<b>503.11</b>
Less: Depreciation	124.29	124.92	141.15	142.58
<b>Profit before Tax (PBT)</b>	<b>221.45</b>	<b>313.20</b>	<b>130.67</b>	<b>360.53</b>
Less: Adjustment of Exceptional Item	1850.24	0.00	1850.69	0.00
<b>Profit/ (Loss) before Tax after Exceptional items</b>	<b>(1628.79)</b>	<b>313.20</b>	<b>(1720.02)</b>	<b>360.53</b>
Less: Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	(8.48)	211.65	(11.22)	229.68
<b>Profit/(Loss) after Tax</b>	<b>(1620.31)</b>	<b>101.55</b>	<b>(1708.80)</b>	<b>130.85</b>

### PERFORMANCE REVIEW

#### Stand Alone

During the year under review, the Company achieved revenue of Rs.16337.55 Lacs as against Rs.23659.28 Lacs in previous year. The Company has incurred a Net loss after tax of Rs. 1620.31 Lacs as against Net Profit after tax of Rs.101.55 lacs for the corresponding previous financial year.

#### Consolidated

During the year under review, the Company achieved revenue of Rs. 19528.73 Lacs as against Rs. 27196.61 Lacs in previous year. The Company has incurred a Net loss after tax of Rs. 1708.80 Lacs as against Net Profit after tax of Rs. 130.85 lacs for the corresponding previous financial year.

### DIVIDEND AND TRANSFER TO RESERVES

In view of the business loss incurred during the year, your Director's do not recommend any dividend for the year 2014-15.

The Register of Members and Share Transfer Books will remain closed from September 22, 2014 to September 29, 2014, both days inclusive. The Annual General Meeting of the Company will be held on September 29, 2014.

### 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 "Grand Fashion Textile (Shanghai) Co. Ltd at China 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:**

During the year under review, your Company has following subsidiaries:

1. Vedanta Creations Limited
2. Bang Europa S.R.O
3. Bang HK Limited
4. Grand Fashion Textile (Shanghai) Co., Ltd (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.

## **DIRECTORS**

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on August, 13, 2014 recommended appointment of Mr. Vijay Dattatraya Ajgaonkar, Mr. Mithilesh Kumar Sinha and Mr. Subrata Kumar Dey as Independent Directors of the Company, not liable to retire by rotation for a period of five years from the date of its 22nd Annual General Meeting subject to approval of the Members of the Company. These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

The Board recommends the resolutions for your approval for the above appointments.

None of the Directors of the Company is disqualified under Section 164(2) of the Companies Act, 2013.

In terms of the Articles of Association of the Company, Mr. Brijgopal Bang retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

## **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

As per requirement of Section 203 of the Companies Act 2013, the company has appointed, Mr. Jaydas Tulshiram Dighe as Chief Financial Officer of the Company w.e.f 30th May, 2014.

## **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, the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting (AGM). The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s Rajendra K. Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 25th AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.



**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.

**SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013, the Board at its meeting held on August 13, 2014 has appointed Mr. Hitesh Kothari, Partner, Kothari H. & Associates, Practicing Company Secretaries as Secretarial Auditor for the Financial year 2014-15.

**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 Shareholders. 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**

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

**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 BSE Limited and the Company has paid the Listing fees to the above Exchanges for the year 2014-15.

**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 2013- 2014, 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 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**

**(DIN: 00112203)**

**CHAIRMAN & MANAGING DIRECTOR**

Place: Mumbai

Date: August 13, 2014

## 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, 2014.

**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”**

<b>A. Power and fuel consumption</b>		
<b>1. Electricity</b>	<b>2013-2014</b>	<b>2012- 2013</b>
<b>(a) Purchased</b>		
Unit	577596 units	630981 Units
Total Amount	Rs 40,50,448/-	Rs. 40,64,635/-
Rate/unit	7.0126/- per unit	6.44/- Per Unit
<b>(b) Own generation</b>		
<b>i) Through Diesel generator unit</b>		
Unit	18694 units	19957 units
Units per ltr. Of Diesel Oil	2.49 units per ltr	2.56 units per ltr
Cost/ unit	Rs.20.37	Rs.17.02
	(Rs 3,80,807/18694 units)	(Rs.3,39,761/19957 units)
<b>ii) Through Steam turbine/ generator</b>		
Units	Nil	Nil
Units per ltr. of fuel oil/ gas	Nil	Nil
Cost/ units	Nil	Nil
<b>2. Coal (Bio Fuel)</b>		
Quantity (tonnes)	42460 kg	60.690
Total Cost	Rs.238907.00	Rs.303811.00
Average Cost	5627/- per tones	Rs 5006/- Per tone
<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)	2013-14	2012-13
Electricity (generated)	-	0.022 unit per pcs	0.80 unit per piece
Furnace oil	-	NIL	NIL
Coal (specify quantity)	-	0.00017 ton per pcs	0.00021 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)

		2013-14	2012-13
i)	Foreign Exchange Earned	2650.12	10,981.40
ii)	Foreign Exchange Used	14538.83	11,143.03

## CORPORATE GOVERNANCE REPORT

### 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. The Chairman of the Company is the Executive Director. 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 Balaram Bang
Executive Director	Mr. Raghvendra Venugopal Bang
Executive Director	Mr. Purshottam Bang
Non Executive and Independent Director	Dr. Mithilesh Kumar Sinha
Non Executive and Independent Director	Mr. Vijay Dattatraya Ajgaonkar
Non Executive and Independent Director	Mr. Subrata Kumar Dey

Pursuant to Articles of Association of the Company, Mr. Brijgopal Balaram Bang retire by rotation and being eligible, offer themselves 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, four Board Meetings were held. These were on 30th May, 2013, 12th August, 2013, 14th November, 2013 & 12th February, 2014.

**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 Balaram Bang	Chairman and Managing Director	4	4	Yes	2
Mr. Purshottam Bang	Executive Director	4	3	No	2
Mr. Raghvendra Venugopal Bang	Executive Director	4	3	Yes	2
Dr. Mithilesh Kumar Sinha	Non Executive& Independent Director	4	3	No	7
Mr. Vijay Dattatraya Ajgaonkar	Non Executive& Independent Director	4	4	Yes	5
Mr. Subrata Kumar Dey	Non Executive& Independent Director	4	4	No	1

**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 2013-14.

**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 on 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. Subrata Kumar Dey, Mr. Mithilesh Kumar Sinha, and Mr. Vijay Dattatraya Ajgaonkar as Members of the Committee all being learned and experts having adequate knowledge in the field of finance. The Committee had met 4 times during the year on 30th May, 2013, 12th August, 2013, 14th November, 2013 and 12th February 2014 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 Dattatraya Ajgaonkar, Non-Executive Independent Director	Member

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 2013-14**

Audit Committee met 4 (Four) Times during the year 2013-2014 on 30th May, 2013, 12th August, 2013, 14th November, 2013 and 12th February 2014 and the Attendance record is as per the table given below:

Name of the Director	Number of Meetings	Meeting/s Attended
Mr. Subrata Kumar Dey	4	4
Dr. Mithilesh Kumar Sinha	4	3
Mr. Vijay Dattatraya Ajgaonkar	4	4

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 appointed M/s. Vishal Khade & Co., Chartered Accountants, as the Internal Auditors for the financial year 2014-15 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. Stakeholders Relationship Committee**

The Stakeholders Relationship 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. Vijay Dattatraya Ajgaonkar, Independent Director	Chairman
2	Mr. Brijgopal Balaram Bang, Managing Director	Member
3	Mr. Raghvendra Venugopal Bang, Executive Director	Member

**b) Terms of Reference**

The Stakeholders Relationship 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 2013-2014**

Stakeholders Relationship Committee met 4 (Four) Times during the year 2013-14 on 30h May, 2013, 12th August, 2013, 14th November, 2013 and 12th February, 2014 and the Attendance record is as per the table given below:

Name of the Director	No. of Meetings	Meeting/s Attended
Mr. Vijay Dattatraya Ajgaonkar	4	4
Mr. Brijgopal Balaram Bang	4	4
Mr. Raghvendra Venugopal Bang	4	3

**d) Complaints**

Details of Investor Complaints received during the financial year ended 31st March 2014 are as follows:

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

**6. Nomination and Remuneration Committee****a) Composition:**

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

The Nomination and 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 Dattatraya Ajgaonkar, Non-Executive Independent Director	Member
3	Mr. Subrata Kumar Dey, Non-Executive Independent Director	Member

**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 Nomination and 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 severance fees, if any, is governed by the remuneration policy of the Company.

**c) Meeting:**

There were no meeting of Nomination and Remuneration Committee held during the year 2013-14.

**d) Remuneration:**

During the financial year 2013-14, Remuneration paid to the Directors is as follows:

(Amount in Rs)

Name of the Director	Sitting Fees	Salaries and perquisites	Commission	Total
Mr. Brijgopal Balaram Bang	Nil	34,80,000	Nil	34,80,000
Mr. Raghvendra Venugopal Bang	Nil	7,20,000	Nil	7,20,000
Mr. Purshottam Bang	Nil	7,20,000	Nil	7,20,000
Mr. Vijay Dattatraya Ajgaonkar	40,000	Nil	Nil	40,000
Dr. Mithilesh Kumar Sinha	45,000	Nil	Nil	45,000
Mr. Subrata Kumar Dey	40,000	Nil	Nil	40,000

**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.

**7. GENERAL BODY MEETINGS**
**a) Date, time and venue for the last three Annual General Meetings (AGM)**

Financial year	Date	Time	Venue
2010-11	30/09/2011	9.45 A.M.	Maheshwari Bhavan, 603, Jagannath Shankar Sheth Road, Mumbai - 400 002
2011-12	29/09/2012	9:00 A.M.	Garware Club House, Wankhede Stadium, Banquet Hall, 2nd Floor, "D" Road, Churchgate, Mumbai - 400 020
2012-13	24/09/2013	9.30 A.M.	Maheshwari Bhavan, 603, Jagannath Shankar Sheth Road, Mumbai - 400 002

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

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 29, 2012: At this Meeting 1(One) Special resolution was passed regarding increase of remuneration of Mr. Brijgopal Bang, Managing Director of the company.

AGM held on September 24, 2013: At this meeting 4 (Four) Special resolutions were proposed, seconded and passed with more than three-fourth majority on show of hands. First resolution was regarding appointment of Mrs. Vandna Bang, wife of Mr. Brijgopal Bang, Chairman & Managing Director of the Company, to hold and continue to hold an Office or Place of Profit as General Manager – Design Divison under Section 314 of the companies Act, 1956, Second & Third resolution was regarding appointment and fixing

of remuneration of Executive Directors Mr. Raghvendra Bang and Mr. Purshottam Bang respectively and fourth resolution was regarding alteration of Article 186 (The Seal) of the Articles of Association.

**(c) Resolutions passed through 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.

**8. 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.

The Company has also fulfilled a non-mandatory requirement as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, related to Remuneration Committee /Compensation Committee.

**9. MEANS OF COMMUNICATION**

- Quarterly results: Quarterly Results are published in accordance with the provisions of the Listing Agreement. The results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated.
- 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 web-site 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.

## 10. ADDITIONAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date : September 29, 2014  
 Time : 9.30 a.m.  
 Venue : Maheshwari Bhavan, 603, Jagannath Shankar Sheth Road, Mumbai - 400 002

### b) Financial Year – April 1 to March 31

### c) Financial Calendar (tentative)

First Quarterly Results - Up to 14th August, 2014  
 Second Quarterly Results - Up to 14th November, 2014  
 Third Quarterly Results - Up to 14th February, 2015  
 Fourth Quarterly Results - Up to 30th May, 2015

### d) Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from September 22, 2014 to September 29, 2014 (both days inclusive).

### e) Dividend payment date

Not applicable

### f) Listing

At present the Company's Equity Shares are listed at National Stock Exchange of India Limited and BSE Limited and the Company has paid the Listing fees to the above Exchanges for the year 2014-2015.

### Stock Codes

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

### g) 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 2013-14:

Date	BANG OVERSEAS LIMITED				BSE SENSEX		
	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr 13	15.75	12.60	13.05	17,226	19,622.68	18,144.22	19,504.18
May 13	13.85	10.50	10.90	75,078	20,443.62	19,451.26	19,760.30
June 13	11.95	10.00	11.10	1,41,617	19,860.19	18,467.16	19,395.81
July 13	12.19	8.95	9.00	2,23,778	20,351.06	19,126.82	19,345.70
Aug 13	11.02	8.65	9.00	71,090	19,569.20	17,448.71	18,619.72
Sept 13	10.35	8.61	10.35	11,347	20,739.69	18,166.17	19,379.77
Oct 13	11.50	9.96	11.00	47,239	21,205.44	19,264.72	21,164.52
Nov 13	11.90	10.00	10.00	24,743	21,321.53	20,137.67	20,791.93
Dec 13	10.45	8.45	10.00	12,734	21,483.74	20,568.70	21,170.68
Jan 14	11.45	9.21	11.45	11,644	21,409.66	20,343.78	20,513.85
Feb 14	11.45	8.80	9.05	8,633	21,140.51	19,963.12	21,120.12
Mar 14	10.40	8.71	8.91	14,949	22,467.21	20,920.98	22,386.27

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 13	14.7	14.7	14.7	400	5962.30	5867.80	5930.20
*May 13	Nil	Nil	Nil	Nil	6106.25	5975.55	5985.95
*June 13	Nil	Nil	Nil	Nil	5852.95	5749.50	5842.20
*July 13	Nil	Nil	Nil	Nil	5752.10	5675.75	5742.00
*Aug 13	Nil	Nil	Nil	Nil	5493.30	5360.20	5471.80
*Sept 13	Nil	Nil	Nil	Nil	5810.20	5718.50	5735.30
*Oct 13	Nil	Nil	Nil	Nil	6309.05	6235.90	6299.15
*Nov 13	Nil	Nil	Nil	Nil	6182.50	6103.80	6176.10
*Dec 13	Nil	Nil	Nil	Nil	6317.30	6287.30	6304.00
Jan 14	9.2	9.2	9.2	200	6097.85	6067.35	6089.50
Feb 14	9.2	9.2	9.2	498	6282.70	6228.10	6276.95
Mar 14	9.4	8.9	9.4	420	6730.05	6662.40	6704.20

\* Company's Shares had not been traded during the month

#### h) Shareholding Pattern

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

##### a. Shareholding Pattern by ownership as on 31st March, 2014:

SHARE HOLDING PATTERN AS ON 31/03/2014			
Sno	Description	No. of Shares held	Shareholding %
1	CLEARING MEMBERS	788	0.01
2	H U F	132398	0.98
3	BODIES CORPORATES	1662963	12.26
4	NON RESIDENT INDIANS	17384	0.13
5	PROMOTERS AND PROMOTER GROUP	9896368	72.98
6	RESIDENT INDIVIDUALS	1850099	13.64
	<b>Total:</b>	<b>13560000</b>	<b>100.00</b>

##### b. Pattern of shareholding by share class as on 31st March, 2014

DISTRIBUTION SCHEDULE AS ON 31/03/2014					
Sno	Category	No. of Shareholders	% of total	Share Capital (Amount in Rs.)	% of total
1	upto 1 - 5000	4731	86.27	6334790.00	4.67
2	5001 - 10000	378	6.89	3111260.00	2.29
3	10001 - 20000	173	3.15	2619450.00	1.93
4	20001 - 30000	49	0.89	1237810.00	0.91
5	30001 - 40000	30	0.55	1090240.00	0.80
6	40001 - 50000	29	0.53	1396370.00	1.03
7	50001 - 100000	37	0.67	2868490.00	2.12
8	100001 & ABOVE	57	1.04	116941590.00	86.24
	<b>Total:</b>	<b>5484</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, 2014, 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 VittalRao Nagar,

Madhapur, Hyderabad – 500081

Tel: (91 40) 4465 5000

Fax: (91 40) 2343 1551

E-mail : varghese@karvy.com

Website: www.karvycomputershare.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:****COMPANY SECRETARY**

BANG OVERSEAS LIMITED

405-406, Kewal Industrial Estate, 4thFloor,

Senapati BapatMarg, Lower Parel (W),

Mumbai -400 013, India

Tel.: 022- 66607965

Fax: 022-66607970

E-mail: cs@banggroup.com

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021, according to a report by Technopak Advisors.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

### INDIAN APPAREL RETAIL MARKET

The Indian retail market, estimated at US\$ 500 billion in 2012, is expected to demonstrate a robust growth rate of 13% p.a. over the coming years to become US\$ 1.3 trillion by 2020 (Source: IBEF Retail Sector Report). Apparel retail market's share out of this is 8%, which puts the market size at approx. US\$ 40 billion in 2012.

The overall consumption growth story of India, driven by favourable demographic trends and rising income level fuelling consumerism, is expected to continue to gain momentum. In addition, favourable government policies to boost investor confidence are increasing investments in organised retail. Currently, organised retail's penetration in India is only 8%, which is expected to increase to 20% by 2020.

Indian Apparel market has demonstrated resilience and growth in an environment characterized by slow economic growth. This trend is further strengthened by demographic dividend of India, i.e. young consuming age group. By 2020, India will have 64% of the population in working age group, making it the world's youngest emerging economy. This young consuming class has new aspirations and is more open to experimenting with fashion brands and modern designs.

Purchase behaviour of consumers is also going through a significant change. Fashion today is heavily influenced by global social media, international fashion icons, increasing disposable income and rising confidence level. This is leading the shift from need-based purchasing to aspiration-based purchasing, and fast adoption of international fashion statements.

Further, favourable policy environment (e.g. the decision to allow Foreign Direct Investment (FDI) in multi-brand retail), has boosted investor confidence and opened doors for many international retailers to enter India. The apparel retail industry is expected to benefit from better product designs, while improving business performance learning from global best practices. The policy also requires investment in back-end infrastructure and substantial local sourcing of products. Businesses with strong local expertise and vertical-integrated set-up in textiles and apparel, like your company, are expected to benefit from this.

### FINANCIAL OVERVIEW

#### SALES

Stand Alone: During the year under review, the Company achieved revenue of Rs.16337.55 Lacs as against Rs.23659.28 Lacs in previous year.

Consolidated: During the year under review, the Company achieved revenue of Rs. 19528.73 Lacs as against Rs. 27196.61 Lacs in previous year.

#### Earnings Before Interest, Depreciation & Tax (EBIDT)

Stand Alone: During the financial year, the EBIDT was Rs. 832.34 lacs as against EBIDT of Rs. 912.21 lacs for the corresponding previous financial year.

**Consolidated:** During the financial year, the EBIDT was Rs. 802.82 lacs as against EBIDT of Rs.1037.26 lacs for the corresponding previous financial year.

#### **Net Loss after Tax**

Stand Alone: During the financial year, Company has incurred a Net loss after tax of Rs. 1620.31 Lacs as against Net Profit after tax of Rs.101.55 lacs for the corresponding previous financial year.

Consolidated: During the financial year, Company has incurred a Net loss after tax of Rs. 1708.80 Lacs as against Net Profit after tax of Rs. 130.85 lacs for the corresponding previous financial year.

#### **OUTLOOK**

In the mid-long term, the Indian textile industry is expected to grow very strongly with growth being balanced from both domestic consumption as well as exports demand. In the near-term, domestic demand would depend on the revival of the macro-economic factors. On exports front, there are both positive and negative factors. Positive factors include the weak currency and decreasing cost competitiveness of China that are likely to give positive impetus to the Indian exports. At the same time, factors like slowdown and uncertainty in the global markets, volatile foreign exchange rates and increase in cotton and yarn prices are likely to negatively affect growth and profitability for the textile exports.

Your Company has three wholly owned subsidiaries at Hong Kong, Slovakia and China in order to trade its garments & fabrics and establish a place in the International Market as well.

#### **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
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

#### **RISK & CONCERNS**

Key concern remains cheap imports. Failure of monsoon in India could lead to pressure on costs which may be difficult to pass on to customers. Under these circumstances the Company remains cautiously optimistic of the future prospect of the business.

#### **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. RRR Advisory Services Private Limited, 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, 2014 were 884.

#### **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 SECRETARIES 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 Bang Overseas Limited (“the Company”), for the year ended 31st March 2014, 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 2014, 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**  
Partner  
Membership No. : 6038  
C.P. No. : 5502

Place: Mumbai  
Dated: 30th May, 2014

## 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 2013-14 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  
(DIN: 00112203)

Sd/-  
Jaydas Dighe  
Chief Financial Officer

Place: Mumbai  
Date : 30th May, 2014

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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 2013-14.

Sd/-  
Brijgopal Bang  
Managing Director  
(DIN: 00112203)

Place: Mumbai  
Date: 30th May, 2014

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
Bang Overseas Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bang Overseas Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, 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.

### MANGEMENTS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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") read with the General Circular No. 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

### AUDITORS' RESPONSIBILITY

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.

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.

### OPINION

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, 2014;
- (b) in the case of Statement of Profit and Loss, of the Loss 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.

### REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS

1. 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.

2. 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 notified under the Act, read with General Circular No. 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on March 31,2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31,2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act.

**For Rajendra K Gupta & Associates**

Chartered Accountants

Firm Registration No.: 108373W

**Rajendra Kumar Gupta**

Partner

Membership No. 9939

Place: Mumbai

Date: 30th May, 2014

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under heading of "Report on other legal and regulatory requirements" 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 has 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 two 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.2, 59,62,085/- and the year end balance is Rs. 2,40,06,685/-
  - (b) According to the information and explanation given to us, the Company has granted unsecured loan during the year to two parties 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. 1,92,57,095/- and the year end balance is Rs. 42,57,095/-
  - (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 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.
- 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, 2014 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, except, dispute in respect of Income Tax of Rs. 246.74 Lacs under Income Tax Act, 1961 pending before The Commissioner of Income Tax (Appeals).
- (x) The Company does not have any accumulated losses at the end of the financial year and has incurred cash loss during the financial covered by our audit but not in 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 given guarantee of Rs. 456 Lacs for loans taken by Subsidiary Companies from banks.
- (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, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

(in Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds			
Share Capital	2	135,600,000	135,600,000
Reserves and Surplus	3	506,214,339	668,245,406
		641,814,339	803,845,406
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1,791,110	2,927,312
Deferred tax liabilities (Net)		17,621,915	18,590,744
Other Long term liabilities	5	1,319,402	3,819,402
		20,732,427	25,337,458
<b>Current Liabilities</b>			
Short-term borrowings	6	665,045,911	596,011,851
Trade payables	7	116,480,968	89,933,850
Other current liabilities	8	16,076,762	9,956,548
Short-term provisions	9	13,978,145	10,423,029
		811,581,786	706,325,278
<b>Total</b>		<b>1,474,128,552</b>	<b>1,535,508,142</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	203,069,962	175,687,623
Intangible assets		2,372,444	1,848,726
Capital Work In progress		100,704,081	100,147,223
Non-current investments	11	33,376,285	31,988,272
Long term loans and advances	12	66,391,297	78,091,495
		405,914,069	387,763,339
<b>Current assets</b>			
Inventories	13	325,016,773	188,601,479
Trade receivables	14	472,150,151	740,324,756
Cash and bank balances	15	141,110,364	97,934,667
Short-term loans and advances	16	117,355,502	113,932,975
Other current assets	17	12,581,693	6,950,926
		1,068,214,483	1,147,744,803
<b>Total</b>		<b>1,474,128,552</b>	<b>1,535,508,142</b>

Significant Accounting Policies 1  
The accompanying notes are an integral part of the financial statements  
As per our report of even date

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

**For and on behalf of Board of Directors**  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
**Partner**  
Membership No.: 9939

**Brijgopal Bang**  
**Chairman & Managing Director**  
(DIN: 00112203)

**Raghvendra Bang**  
**Director**  
(DIN: 00356811)

**Nishi V. Vargiya**  
**Company Secretary**

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014** (in Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>INCOME</b>			
Revenue from operations	18	1,626,533,249	2,376,103,424
Less: Excise Duty		-	17,235,101
Net revenue from operations		1,626,533,249	2,358,868,323
Other Operating Revenue	19	7,222,232	7,059,446
Other Income	20	31,157,548	37,385,308
Total Revenue		1,664,913,029	2,403,313,077
<b>EXPENSES</b>			
Cost of materials consumed	21	147,032,995	140,525,155
Purchase of Stock-in-Trade	22	1,295,646,216	1,874,979,804
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(127,086,788)	26,179,858
Employee benefit expenses	24	147,898,212	123,605,780
Financial costs	25	48,659,561	47,409,249
Depreciation and amortization expenses	10	12,429,474	12,491,994
Other expenses	26	303,212,224	146,801,127
Total Expenses		1,827,791,893	2,371,992,966
Profit / (Loss) before tax		(162,878,864)	31,320,111
<b>Tax expenses:</b>			
(1) Current tax		-	11,200,000
(2) Deferred tax		(968,829)	9,965,296
(3) Income tax liability for earlier years		121,032	
<b>Profit / (Loss) for the year</b>		<b>(162,031,067)</b>	<b>10,154,815</b>
Earning per equity share: (Refer Note 33)			
(1) Basic		(11.95)	0.75
(2) Diluted		(11.95)	0.75

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Rajendra K Gupta & Associates** For and on behalf of Board of Directors  
Chartered Accountants **BANG OVERSEAS LTD.**  
Firm Registration No:108373W

**Rajendra Kumar Gupta**  
Partner  
Membership No.: 9939

**Brijgopal Bang**  
Chairman & Managing Director  
(DIN: 00112203)

**Raghvendra Bang**  
Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

## CASH FLOW STATEMENT AS AT MARCH 31, 2014

(in Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>A. Cash flow from Operating Activities</b>		
Net profit/(Loss) before taxation	(162,878,864)	31,320,111
Adjustments for:		
Depreciation	12,429,474	12,491,994
(Profit) / Loss on sale of Fixed Assets	238,193	63,754
Sundry Balances Written back	(2,034,773)	-
Loss due to cancellation of contract (CWIP)	-	3,020,000
Interest income	(15,615,644)	(15,442,883)
Dividend income	(1,180)	(2,210)
Interest expense	33,899,837	34,916,604
<b>Operating profit before Working Capital changes</b>	<b>(133,962,957)</b>	<b>66,367,370</b>
Changes in		
Inventories	(136,415,294)	44,984,275
Trade Receivables	268,174,605	(240,024,249)
Long term loans and advances	(8,742,646)	13,263,676
Other Long term liabilities	33,722,448	(31,866,889)
Cash generated from operations	22,776,156	(147,275,817)
Direct taxes paid (net)	(8,951,963)	(9,082,363)
<b>Net Cash from Operating Activities</b>	<b>13,824,193</b>	<b>(156,358,180)</b>
<b>B. Cash flows from Investing activities</b>		
Payment for Purchase of Fixed Assets	(21,581,629)	(19,859,477)
Capital work-in-progress	(162,428)	(2,422,173)
Receipt from sale of assets	2,868,729	61,769
Purchase of Non current Investment	(1,388,013)	(44,838,872)
Interest received	15,615,644	15,442,883
Dividends received	1,180	2,210
<b>Net Cash from Investing Activities</b>	<b>(4,646,517)</b>	<b>(51,613,660)</b>
<b>C. Cash flows from Financing Activities</b>		
Short Term Borrowings	69,034,060	168,109,431
Long Term Borrowings	(1,136,202)	(1,607,258)
Interest paid	(33,899,837)	(34,916,604)
<b>Net cash from Financing Activities</b>	<b>33,998,022</b>	<b>131,585,569</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>43,175,697</b>	<b>(76,386,271)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>97,934,667</b>	<b>174,320,938</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>141,110,364</b>	<b>97,934,667</b>

Significant Accounting Policies

1

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

**For Rajendra K Gupta & Associates** For and on behalf of Board of Directors  
Chartered Accountants **BANG OVERSEAS LTD.**  
Firm Registration No:108373W

**Rajendra Kumar Gupta**  
Partner  
Membership No.: 9939

**Brijgopal Bang**  
Chairman & Managing Director  
(DIN: 00112203)

**Raghvendra Bang**  
Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

## 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**

- (a) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.
- (c) 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, 2014

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<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)	160,000,000	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)		
<b>Total</b>	<b>135,600,000</b>	<b>135,600,000</b>
<b>a) Terms/rights attached to Equity Shares</b>		
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>b) Reconciliation of Issued Share Capital</b>		
Equity shares outstanding at beginning of year	1,35,60,000	1,35,60,000
Add: Issued During the year	-	-
Less: Brought Back During the year	-	-
Equity shares outstanding at end of year	1,35,60,000	1,35,60,000
<b>c) Shareholders holding more than 5% of shares in the company</b>		
Mr. Venugopal Bang	20,56,600	27,06,600
Mr. Brijgopal Bang	15,21,000	15,21,000
Mr. Krishna Kumar Bang	13,01,700	13,01,700
Mr. Ramanuj Das Bang	7,74,600	7,74,600
Mr. Raghvendra Bang	6,89,600	-
	15.17%	19.96%
	11.22%	11.22%
	9.60%	9.60%
	5.71%	5.71%
	5.09%	
<b>Note 3 : Reserves &amp; Surplus</b>		
<b>(a) Securities Premium Account</b>		
Balance at the beginning of the year	597,765,138	597,765,138
Add: Current year transfer	-	-
Less: W/O pursuant to Scheme of Demerger	-	-
<b>Balance at the end of the year</b>	<b>597,765,138</b>	<b>597,765,138</b>
<b>(b) Surplus in Profit Loss Statement</b>		
Balance at the beginning of the year	70,480,268	60,325,453
Add: Current year transfer	(162,031,067)	10,154,815
Less: W/O pursuant to Scheme of Demerger	-	-
Balance at the end of the year	(91,550,799)	70,480,268
<b>Total</b>	<b>506,214,339</b>	<b>668,245,406</b>
<b>Note 4 : Long term Borrowings</b>		
<b>Secured</b>		
Car Loan	1,791,110	2,927,312
<b>Total</b>	<b>1,791,110</b>	<b>2,927,312</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>a) Nature of Security for Long term borrowings</b>		
Car Loan is taken from Kotak Mahindra Prime Ltd is secured against hypothecation of car.		
b) There is no default in repayment of principal amount and interest thereon .		
<b>Note 5: Other Long Term Liabilities</b>		
<b>Unsecured</b>		
Security deposits Received	1,319,402	3,819,402
	<b>1,319,402</b>	<b>3,819,402</b>
<b>Note 6 : Short tem borrowings</b>		
<b>Secured</b>		
Working capital loans from bank	140,673,296	-
Buyers Credit in foreign currency	294,445,844	339,802,443
Short term loan from bank	-	27,000,000
Car Loan	37,914	251,253
<b>Unsecured</b>		
from Promoters & Promoter group	200,503,766	136,642,166
from Directors	24,327,393	25,758,544
from related party	5,057,699	66,557,446
	<b>665,045,912</b>	<b>596,011,851</b>

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

Working Capital loans and Buyer's Credit loans taken from bank's are secured against hypothecation of inventories, book debts and equitable mortgage of immovable proerties being factory land and buildings/other structures and embedded plant & machinery, and personal guarantee of Mr. Venugopal Bang and Mr. Brijgopal Bang

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

**Note 10 - Fixed Assets**

(in. Rs.)

Particulars	Gross Block			Depreciation			Net Block			
	as at 01/04/2013	Addition	Deduction	as on 31/03/2014	up to 01/04/2013	for the year	Depreciation Adjustment	up to 31/03/2014	as on 31/03/2014	as on 31/03/2013
<b>i) Tangible Assets (Owned)</b>										
Land	6,864,202	-	-	6,864,202	-	-	-	-	6,864,202	6,864,202
Building	31,693,993	35,853,706	-	67,547,699	1,030,118	741,593	-	1,771,711	65,775,988	30,663,875
Factory Building	63,058,098	104,000	-	63,162,098	12,713,156	2,112,222	-	14,825,378	48,336,720	50,344,942
Office Equipment	4,803,448	274,045	45,620	5,031,873	2,065,259	323,936	8,456	2,380,739	2,651,134	2,778,354
Computer Systems	11,349,820	678,669	135,329	11,893,160	8,612,254	902,574	82,734	9,432,094	2,461,066	2,697,401
Plant & Machinery	73,920,330	2,711,074	3,680,731	72,950,673	17,836,874	3,525,171	1,465,973	19,896,072	53,054,601	56,083,456
Furniture & Fixture	36,008,779	2,129,484	2,243,275	35,894,988	20,882,061	2,620,163	1,705,540	21,796,684	14,098,304	15,126,718
Motor Vehicles	11,759,567	83,372	1,751,493	10,091,446	5,802,111	1,220,917	1,583,419	5,439,609	4,651,837	5,957,456
Leasehold Improvements	6,070,727	345,760	110,213	6,306,274	899,502	245,471	14,815	1,130,158	5,176,116	5,171,225
<b>Total</b>	<b>245,528,964</b>	<b>42,180,110</b>	<b>7,966,661</b>	<b>279,742,413</b>	<b>69,841,335</b>	<b>11,692,047</b>	<b>4,860,937</b>	<b>76,672,445</b>	<b>203,069,962</b>	<b>175,687,623</b>
<b>ii) Intangible Assets (Owned)</b>										
Computer Software	4,593,220	1,264,009	8,437	5,848,792	2,744,494	737,427	5,573	3,476,348	2,372,444	1,848,726
<b>Total</b>	<b>4,593,220</b>	<b>1,264,009</b>	<b>8,437</b>	<b>5,848,792</b>	<b>2,744,494</b>	<b>737,427</b>	<b>5,573</b>	<b>3,476,348</b>	<b>2,372,444</b>	<b>1,848,726</b>
<b>Grand Total (i+ii)</b>	<b>250,122,184</b>	<b>43,444,119</b>	<b>7,975,098</b>	<b>285,591,205</b>	<b>72,585,829</b>	<b>12,429,474</b>	<b>4,866,510</b>	<b>80,148,793</b>	<b>205,442,406</b>	<b>177,536,349</b>
Previous Year	230,476,259	19,924,477	278,552	250,122,184	60,134,000	12,491,994	40,165	72,585,829	177,536,349	-
iii) Capital Work in progress									100,704,081	100,147,223



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Note 7 : Trade Payables</b>		
Payables for goods & Services	99,058,849	89,840,161
Payables to Directors & Related Parties	17,422,119	93,689
	<b>116,480,968</b>	<b>89,933,850</b>
<b>Note 8: Other Current Liabilities</b>		
Statutory Liabilities	5,408,710	5,020,725
Payable for Capital Expenditures	1,594,100	-
Interest accrued but not due on loans	1,533,989	2,729,758
Advances from customers	7,539,963	2,206,064
	<b>16,076,762</b>	<b>9,956,548</b>
<b>Note 9: Short Term Provisions</b>		
Provision for employee benefits	12,923,280	10,178,426
Provision for gratuity	1,054,865	244,603
	<b>13,978,145</b>	<b>10,423,029</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 4,50,000) Equity shares of Rs. 10/- of A.S.Raiment Private Limited	12,029,872	12,029,872
Investment of Euro 2,00,000 in Bang Europa S.R.O.	12,143,500	12,143,500
Investment of HK\$ 2,45,000 in Bang HK Ltd. (PY HK\$ 50,000)	1,675,513	287,500
	<b>33,376,285</b>	<b>31,988,272</b>
<b>Note 12 : Long term Loans and advances</b>		
Unsecured, considered good		
Security Deposits	3,502,155	3,331,370
Bank Guarantee Deposits	2,104,694	1,964,830
Balances with Government authorities	23,302	23,302
Advance Tax & T.D.S. (Net of provisions)	15,452,146	4,862,993
Capital Expenditure Advances	45,309,000	67,909,000
	<b>66,391,297</b>	<b>78,091,495</b>
<b>Note 13 : Inventories</b>		
(As taken, Valued & Certified by the Management)		
Raw Materials and components	51,612,963	42,284,457
Work In Progress	798,961	-
Finished goods	15,272,252	11,129,781
Trade goods	257,332,597	135,187,241
	<b>325,016,773</b>	<b>188,601,479</b>
<b>Note 14 : Trade Receivables</b>		
Unsecured, considered good unless otherwise stated	-	-
Debts outstanding for a period exceeding six months	45,541,647	201,461,543
Other Debts	289,368,507	424,899,703
Receivable from Subsidiary	35,820,388	34,547,635
Receivable from Directors & Related parties	101,419,609	79,415,874
	<b>472,150,151</b>	<b>740,324,756</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Note 15 : Cash and Bank Balances</b>		
Cash and Cash equivalents		
Balances with Banks		
- Current Accounts	36,093,700	22,219,210
- Fixed Deposit Accounts	104,728,508	75,323,336
Cash In Hand	288,156	392,122
	141,110,364	97,934,667
<p>Balances with banks in deposit accounts includes fixed deposits aggregating to Rs. 21,04,694/- 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. 6,40,95,819/- 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. Also fixed deposits aggregating to Rs. 2,00,00,000/- liened against working capital facilities.</p>		
<b>Note 16 : Short term Loans and advances</b>		
Unsecured, considered good unless otherwise stated		
Advances to employees	1,793,737	1,373,744
Advances towards purchase of goods / services	62,755,220	37,829,136
Receivable from Subsidiary	7,524,973	4,257,095
Prepaid expenses	2,251,368	3,073,268
Balances with Government authorities	8,935,763	3,084,109
Security Deposits	3,895,244	4,315,624
Deposits with financial institutions	30,199,198	60,000,000
	117,355,502	113,932,975
<b>Note 17 : Other Current Assets</b>		
DFIA/DFRC import licenses	12,478,280	6,882,224
Interest accrued but not due on deposits	103,414	68,702
	12,581,693	6,950,926
<b>Note 18 : Revenue from Operations</b>		
<b>Sale of Products</b>		
- Trade Goods	1,618,007,972	1,033,151,363
- Manufactured Goods	211,077,389	172,066,060
<b>Export Sales</b>		
- Trade Goods	191,709,320	1,064,909,385
- Manufactured Goods	73,302,497	33,231,019
Jobwork Charges/Scrap Sales	94,146,659	82,116,008
	2,188,243,837	2,385,473,834
<b>Gross Sales</b>		
Less : Inter Department Transfer	561,710,587	9,370,411
<b>Net Sales</b>	1,626,533,249	2,376,103,424

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Note 19 : Other Operating Revenue</b>		
Duty drawback/DEPB incentives	7,149,651	4,897,431
Miscellaneous income	48,477	105,135
Decrease in Excise duty provision on finished goods	-	2,056,880
Octroi Refund Received	24,104	-
	<b>7,222,232</b>	<b>7,059,446</b>
<b>Note 20 : Other Income</b>		
Interest on Deposits	15,615,644	15,442,883
Rent received	12,424,786	14,029,786
Hire Charges received	56,250	-
Dividend	1,180	2,210
Profit on sale of fixed Assets	1,665	-
Sundry balances written back	2,051,278	7,910,429
Insurance Claim Received	1,006,746	-
	<b>31,157,548</b>	<b>37,385,308</b>
<b>Note 21 : Cost of Material Consumed</b>		
Opening stock of Raw Material	42,284,457	61,088,874
Add: Purchases of Raw Material	156,361,501	121,720,738
Less: Closing stock of Raw Material	51,612,963	42,284,457
	<b>147,032,995</b>	<b>140,525,155</b>
<b>Note 22 : Trade Purchases</b>		
Trade Purchases	1,824,580,558	1,861,652,454
Jobwork charges	32,776,245	22,697,760
	1,857,356,803	1,884,350,215
Less : Inter Department Transfer	561,710,587	9,370,411
<b>Net Purchase</b>	<b>1,295,646,216</b>	<b>1,874,979,804</b>
<b>Note 23 : Increase (Decrease) in Inventories</b>		
Opening Stock		
- Trade Goods	135,187,241	153,300,820
- Work -in - progress	-	472,284
- Finished Goods	11,129,781	18,723,776
	<b>(A) 146,317,022</b>	<b>172,496,880</b>
Less: Closing Stock		
- Trade Goods	257,332,597	135,187,241
- Work -in - progress	798,961	-
- Finished Goods	15,272,252	11,129,781
	<b>(B) 273,403,810</b>	<b>146,317,022</b>
	<b>(A) - (B) (127,086,788)</b>	<b>26,179,858</b>
<b>Note 24 : Employee Compensation</b>		
Salaries, Wages, and Bonus	131,758,463	109,612,586
Contribution to Provident Fund and other fund	11,082,986	9,630,759
Gratuity Expenses	1,054,865	644,603
Workmen and staff welfare expenses	4,001,898	3,717,832
	<b>147,898,212</b>	<b>123,605,780</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	(In Rs.)	
Particulars	As at 31st March 2014	As at 31st March 2013
<b>Note 25 : Finance Expenses</b>		
Interest		
On Working capital loans	7,852,194	8,850,374
Others	26,047,642	26,066,230
Bank Charges	14,759,725	12,492,644
	<b>48,659,561</b>	<b>47,409,249</b>
<b>Note 26 : Other Expenses</b>		
Power & Fuel	7,285,387	6,342,311
Freight and forwarding charges	14,518,608	17,508,557
Rent	12,196,057	9,881,048
Rates & Taxes	2,859,876	2,448,279
Insurance Charges	1,714,323	2,687,295
Repairs & Maintenance		
- Plant & Machinery	2,012,760	1,610,989
- Building	1,480,064	159,516
- Other	2,406,890	1,905,723
Advertising	53,528	205,986
Sales Promotion	3,706,619	5,255,874
Brokerage & Sales Commission	4,233,834	3,138,398
Travelling and Conveyance Expenses	8,828,252	11,940,016
Communication Cost	2,414,321	2,713,905
Printing & Stationary	1,671,908	1,963,699
Professional and Consultancy fees	3,199,063	3,818,512
Directors Sitting fees	125,000	106,742
Remuneration to Director	4,901,388	3,480,000
Auditor's remuneration		
- Audit fee	125,000	105,000
- Tax Audit fee	70,000	50,000
- Others	44,000	67,000
Loss due to cancellation of contract	-	3,020,000
Loss on sale of fixed Assets	239,858	63,754
Foreign Exchange (Gain) / Loss	13,185,201	5,928,317
Courier & Postage	4,363,272	6,086,917
Vehicle Expenses	927,058	670,000
Packing Material Expenses	3,692,493	2,576,456
Transportation for factory workers	1,618,119	1,827,124
Jobwork & Washing charges	184,963	1,317,537
Security and service charges	3,202,739	2,815,147
Discount and rebate on sales	10,770,157	14,267,599
Bad Debts	188,638,179	29,834,371
Sundry Balances Written off	16,505	348,683
Wealth Tax	50,000	-
Prior Period Items (net)	1,360,860	427,353
Miscellaneous Expenses	1,115,941	2,229,022
	<b>303,212,224</b>	<b>146,801,127</b>

## NOTES ON ACCOUNTS:

## 27. Operating Lease Arrangements:

## a. As lessee:

Rental expenses of Rs. 1,21,96,057/- (P.Y. Rs. 98,81,048) 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	31.03.2014	31.03.2013
Due not later than one year	94,65,300	86,64,048
Due later than one year but not later than five years	40,96,264	1,24,30,276
Later than five years	NIL	NIL

## The above figures include:

- Lease rentals do not include common maintenance charges, tax payable, if any.
- 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. 1,24,24,786/- (Previous Year Rs.1,40,29,786) relating lease arrangements.

## 28. Employee benefit plan:

The Company has recognized Rs. 10,54,865/- (PY Rs. 6,44,603/-) in the Profit and Loss Account for the year ended 31st March 2014 under defined contribution plans.

## (a) Expenses recognized in Profit &amp; Loss Account for the year ended 31 March 2014:

(In Rs.)

Particulars	31.03.2014	31.03.2013
Current service cost	18,54,391	17,24,029
Interest cost	3,80,104	2,97,739
Expected return on Assets	(3,22,315)	(2,79,614)
Actuarial (gains) / losses	(8,57,315)	(10,97,551)
Past service cost	-	-
<b>Net expenses</b>	<b>10,54,865</b>	<b>6,44,603</b>

## (b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2014:

(In Rs.)

Particulars	31.03.2014	31.03.2013
Defined benefit obligation	52,36,237	44,69,514
Fair value of plan assets	41,81,372	42,24,911
Fund status [Surplus/(Deficit)]	(10,54,865)	(2,44,603)
<b>Net Assets / (Liability)</b>	<b>(10,54,865)</b>	<b>(2,44,603)</b>

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

(In Rs.)

Particulars	31.03.2014	31.03.2013
Opening defined benefit obligation	44,69,514	38,59,658
Current service cost	18,54,391	17,24,029
Interest cost	3,80,104	2,97,739
Benefit paid	(6,39,805)	(3,22,077)
Actuarial (gains) / Losses	(8,27,967)	(10,89,835)
<b>Closing defined benefit obligation</b>	<b>52,36,237</b>	<b>44,69,514</b>

### NOTES ON ACCOUNTS:

(d) Changes in fair value of plan assets are as follows : (In Rs.)

Particulars	31.03.2014	31.03.2013
Fair Value of Plan Assets at the beginning of the period.	42,24,911	30,16,913
Expected Return on Plan Assets	3,22,315	2,79,614
Actuarial (gains) / Losses	29,329	7,716
Assets distributed on settlements	-	-
Actual Company Contributions less Risk Premium	2,44,622	12,42,745
Benefit Payments	(6,39,805)	(3,22,077)
<b>Fair Value of the assets</b>	<b>41,81,372</b>	<b>42,24,911</b>

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

Assumption	31.03.2014	31.03.2013
Discount rate	9.16%	8.05%
Expected return on assets	8.00%	8.05%
Salary Increase	6.50%	7%
Attrition rates	3%	5%
Mortality table	Indian Assured Lives Mortality (2006-08) (Ultimate)	

#### 29. Contingent Liabilities

(In Rs.)

Particulars	31.03.2014	31.03.2013
(a) Claims against Company not acknowledged as debts:		
Income Tax Matters	2,46,74,430	-
Others	16,43,803	-
(b) Other Liabilities		
Bank Guarantees	2,17,65,000	17,65,000
Letter of credit	4,84,72,816	1,13,43,201
Export Obligation	3,74,20,542	3,04,81,689
Sales Tax declaration forms	74,17,623	56,19,686
Stand by Letter of credit	2,56,00,000	3,00,00,000
<b>Total</b>	<b>16,69,94,214</b>	<b>7,92,09,576</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	31.03.2014	31.03.2013
<b>Deferred Tax Liabilities</b>		
On account of difference in Tax and Book Depreciation	1,95,65,995	1,92,70,915
On account of expenditure allowed u/s 43B on payment basis	7,15,502	19,40,920
On account of deduction u/s 35DD	99,747	1,04,734
<b>Total</b>	<b>2,03,81,244</b>	<b>2,13,16,569</b>
<b>Deferred Tax Assets</b>		
Expenditures disallowed u/s 43B	27,59,329	27,25,825
<b>Deferred Tax Liabilities (Net)</b>	<b>1,76,21,915</b>	<b>1,85,90,744</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.
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	31.03.2014	31.03.2013
Profit / (Loss) for the year after tax	(16,20,31,067)	1,01,54,815
Nominal value per share	10	10
Number of equity shares	1,35,60,000	1,35,60,000
EPS Excluding exceptional item	(11.95)	0.75
EPS Including exceptional item	(11.95)	0.75

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

(In Rs.)

Particulars	31.03.2014	31.03.2013
Rent Expenses	-	2,91,305
Professional & Consultancy Charges	-	6,000
TDS and Interest of earlier year	71,703	-
Professional Tax liability of earlier year	17,500	-
Sales Tax liability of earlier year	12,76,413	17,184
Capitalisation of expenses not accounted earlier	-	1,12,864
<b>Total expenses</b>	<b>13,65,616</b>	<b>4,72,353</b>
Less : Income		
Wealth Tax Liability of earlier year	4,756	-
<b>Prior Period (Income) / Expenses – (net)</b>	<b>13,60,860</b>	<b>4,72,353</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, 2014 for hedging the currency risk:

(In Rs.)

Particulars	Purpose	31.03.2014	31.03.2013
Forward contracts to sale USD 4,00,000	Hedge of exports receivables	2,40,40,000	-
Forward contracts to buy USD 10,00,000	Hedge of buyers credit & towards exports	-	5,48,12,500

- b. The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2014 are as follows:

(In Rs.)

Particulars	31.03.2014	31.03.2013
Assets (Receivable)	18,20,54,998	24,33,72,120
Liabilities (Payable)	31,30,48,534	35,73,04,993

**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	136,15,21,433	26,50,11,816	162,65,33,249
	(126,07,27,919)	(109,81,40,404)	(235,88,68,323)
*Segment Assets	38,79,07,761	8,42,42,390	47,21,50,151
	(65,58,24,547)	(8,45,00,209)	(74,03,24,756)

(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. Previous year figure has been regrouped, rearranged and restated whenever necessary.

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
**Partner**  
Membership No.: 9939

**Brijgopal Bang**  
**Chairman & Managing Director**  
(DIN: 00112203)

**Raghvendra Bang**  
**Director**  
(DIN: 00356811)

**Nishi V. Vargiya**  
**Company Secretary**

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014



**38. Information on Related Party Disclosure**

A.	Enterprises where control exists. Subsidiaries	Vedanta Creations Ltd. Bang Europa SRO Bang HK Limited A.S.Raiment Pvt Ltd
B.	Key Managerial Persons (KMP)	Brijgopal Bang Purshottam Bang Raghavendra Bang
C.	Relatives of Key Managerial Persons	Balaram Bang Radhadevi Bang Girdhargopal Bang Rajgopal Bang Nandgopal Bang Venugopal Bang Vandana Bang
D.	Enterprises owned or significantly influenced by key mangement perosnnel or their relatives	1) Bang Data Forms Pvt. Ltd. 2) Thomas Scott India Ltd.

Disclosure of transection between the Company and related Parties and status of outstanding balances as on 31st March, 2014

(In. Rs.)

Particulars	31.03.2014	31.03.2013
<b>Subsidiaries</b>		
<b>Vedanta Creations Ltd.</b>		
Sale of finished goods / raw materials etc.	34,109,580	170,761,705
Sale of DFRC/DFIA Licenses	9,287,356	14,247,575
Loan received	-	193,920,103
Loan given	-	227,097,932
Rent Received	140,530	-
Outstanding (Payable)/Receivable as on 31st March 2014	9,353,904	20,022,349
<b>Bang Europa SRO</b>		
Sale of finished goods / raw materials etc.	18,598,252	11,282,380
Purchase of finished goods / raw materials etc.	-	2,556,927
Purchase of CAD Software	-	374,500
Outstanding receivable as on 31st March 2014	26,368,924	14,266,560
<b>Bang HK Limited</b>		
Sale of finished goods / raw materials etc.	-	259,487
Investment in equity shares	1,388,012	-
Outstanding as on 31st March 2014	NIL	258,726
<b>A.S.Raiment Pvt Ltd</b>		
Investment in equity shares	-	12,029,872
Loan given	784,682	4,008,630
Interest Received	566,570	-
Sales of fixed assets	1,973,283	-
Outstanding Receivable as on 31st March 2014	7,524,973	4,257,095

Particulars	31.03.2014	31.03.2013
<b>Key Managerial Persons (KMP)</b>		
<b>Brijgopal Bang</b>		
Loans taken	1,150,000	950,000
Loans repaid	5,150,026	850,000
Interest paid	2,271,807	2,018,263
Salary paid	3,480,000	3,480,000
Sale of fabrics	14,782	-
Outstanding payable as on 31st March 2014	19,130,464	20,992,879
<b>Purshottam Bang</b>		
Interest paid	582,499	473,148
Salary paid	720,000	227,400
Outstanding payable as on 31st March 2014	5,401,018	4,854,158
<b>Raghavendra Bang</b>		
Interest paid	-	-
Salary paid	720,000	-
Outstanding payable as on 31st March 2014	48,111	-
<b>Relatives of Key Managerial Persons</b>		
<b>Balaram Bang</b>		
Loans taken	-	5,000,000
Loans repaid	1,400,000	5,000,000
Interest paid	7,176,279	5,843,582
Outstanding payable as on 31st March 2014	65,009,472	59,950,821
<b>Radhadevi Bang</b>		
Interest paid	429,583	348,939
Outstanding payable as on 31st March 2014	3,966,481	3,579,857
<b>Venugopal Bang</b>		
Interest paid	46,913	32,257
Outstanding payable as on 31st March 2014	373,164	330,943
<b>Rajgopal Bang</b>		
Interest paid	323,499	262,770
Sale of fabrics	5,386	-
Outstanding payable as on 31st March 2014	2,986,974	2,695,825
<b>Nandgopal Bang</b>		
Loans repaid	-	59,588
Interest paid	-	3,187
Sale of fabrics	2,740	-
Outstanding receivable as on 31st March 2014	NIL	NIL
<b>Vandana Bang</b>		
Salary Paid	1,200,200	-
Outstanding receivable as on 31st March 2014	93,521	NIL

(In. Rs.)

Particulars	31.03.2014	31.03.2013
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>		
<b>Bang Data Forms Pvt. Ltd.</b>		
Loans taken	5,000,000	2,677,092
Loans repaid	-	7,991,708
Interest paid	64,110	43,669
Loans given	15,000,000	-
Interest Received	19,726	-
Outstanding payable as on 31st March 2014	5,057,699	NIL
<b>Thomas Scott India Ltd.</b>		
Purchase of finished goods / raw materials etc.	17,219,881	20,123
Sale of finished goods / raw materials etc.	272,760,753	216,622,918
DFRC Licenses Purchase	2,717,161	-
Rent Received	264,205	-
Outstanding Receivable as on 31st March 2014	84,343,211	79,266,712

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
Partner  
Membership No.: 9939

**Brijgopal Bang**  
Chairman & Managing Director  
(DIN: 00112203)

**Raghvendra Bang**  
Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

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

<b>1</b>	<b>Earnings in foreign currency</b>	<b>2013-2014</b>	<b>2012-2013</b>
	Exports at F.O.B. Value	<b>265,011,816</b>	1,098,140,404
<b>2</b>	<b>Expenditure in foreign currency</b>	<b>2013-2014</b>	<b>2012-2013</b>
	Travelling	1,254,220	1,267,873
	Interest on Buyers Credit	4,020,035	2,492,881
		<b>5,274,255</b>	<b>3,760,754</b>
<b>3</b>	<b>Value of imports calculated on CIF basis</b>	<b>2013-2014</b>	<b>2012-2013</b>
	Raw Materials	2,522,050	1,627,768
	Trade Goods	1,446,086,509	1,108,914,693
	Capital Goods	-	-
		<b>1,448,608,559</b>	<b>1,110,542,461</b>

**4 Imported and indigenous raw materials**

Particulars	2013-2014		% of total Consumption	2012-13		% of total Consumption
	Qty	Value		Qty	Value	
Imported	12,596	2,265,301	2.04	-	-	-
Indigenous	844,456	109,046,844	97.96	658,462	117,756,359	100.00
	<b>857,052</b>	<b>111,312,145</b>	<b>100.00</b>	<b>658,462</b>	<b>117,756,359</b>	<b>100.00</b>
Accessories	2013-2014		% of total Consumption	2012-13		% of total Consumption
Imported	-	191,593		0.78	-	
Indigenous	-	24,263,045	99.22	-	20,346,923	89.36
	-	<b>24,454,638</b>	<b>100.00</b>		<b>22,768,796</b>	<b>100.00</b>

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

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**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

## 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	31/03/2014	284750	100%	(9,153,187)	-	95,212,338	-
Bang Europa S.R.O.	31/03/2014	200000	100%	1,079,148	-	(4,911,776)	-
Bang HK Limited	31/03/2014	245000	100%	541,278	-	188,519	-
A S Raiment Private Limited	31/03/2014	450000	100%	(1,316,719)	-	(191,507)	-

## 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	94,101,824	190,897,016	93,947,691	5,000,000	252,652,814	(9,752,879)	(599,692)	(9,153,187)	-
Bang Europa S.R.O.	16,516,000	(3,832,628)	72,820,942	60,137,506	-	109,264,901	1,411,993	332,845	1,079,148	-
Bang HK Limited	1,893,850	729,797	4,895,378	2,271,731	-	22,493,326	561,832	20,554	541,278	-
A S Raiment Private Ltd	4,500,000	(1,508,226)	10,836,035	7,844,261	-	-	(1,344,511)	(27,792)	(1,316,719)	-

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
Partner  
Membership No.: 9939

**Brijgopal Bang**  
Chairman & Managing Director  
(DIN: 00112203)

**Raghvendra Bang**  
Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To,  
The Board of Directors  
Bang Overseas Limited

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Bang Overseas Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Company" which comprise the consolidated Balance Sheet as at March 31, 2014, 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.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the 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.

### OPINION

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 read with the General Circular No. 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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, 2014;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the Loss 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.

### OTHER MATTER

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. 7,77,16,320/- and total liabilities of Rs. 6,24,09,237/- as at 31st March, 2014, total revenue of Rs.13,17,58,227/- net profit/ (loss) of Rs. 16,20,426/- for the year then ended has been certified by the Managing Director of the Holding Company.

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

Rajendra Kumar Gupta  
Partner  
Membership No: 9939

Place: Mumbai  
Date: 30th May, 2014

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(in.Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds			
Share Capital	2	135,600,000	135,600,000
Reserves and Surplus	3	588,096,174	757,813,041
		<b>723,696,174</b>	<b>893,413,041</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1,791,110	3,178,565
Deferred tax liabilities (Net) (Refer Note 32)		17,601,773	18,590,293
Other Long term liabilities	5	1,319,402	3,819,402
		<b>20,712,285</b>	<b>25,588,260</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	771,647,213	709,683,055
Trade payables	7	129,375,045	137,320,073
Other current liabilities	8	16,724,707	11,845,043
Short-term provisions	9	14,710,855	11,251,915
		<b>932,457,820</b>	<b>870,100,086</b>
<b>Total</b>		<b>1,676,866,279</b>	<b>1,789,101,387</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		218,637,727	191,365,341
Intangible assets		2,375,430	1,848,726
Capital Work In progress		100,704,081	100,147,223
Non-current investments	11	5,010,000	5,010,000
Long term loans and advances	12	86,482,442	67,909,000
Other non-current assets	13	6,952	9,269
		<b>413,216,632</b>	<b>366,289,559</b>
<b>Current assets</b>			
Inventories	14	419,387,170	277,531,176
Trade receivables	15	523,299,086	840,366,491
Cash and bank balances	16	170,225,354	120,282,705
Short-term loans and advances	17	135,255,370	177,282,444
Other current assets	18	15,482,667	7,349,011
		<b>1,263,649,647</b>	<b>1,422,811,828</b>
<b>Total</b>		<b>1,676,866,279</b>	<b>1,789,101,387</b>

Significant Accounting Policies 1  
The accompanying notes are an integral part of the financial statements  
As per our report of even date

**For Rajendra K Gupta & Associates** For and on behalf of Board of Directors  
Chartered Accountants **BANG OVERSEAS LTD.**  
Firm Registration No:108373W

**Rajendra Kumar Gupta**  
Partner  
Membership No.: 9939

**Brijgopal Bang**  
Chairman & Managing Director  
(DIN: 00112203)

**Raghvendra Bang**  
Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>INCOME</b>			
Revenue from operations	19	1,945,489,027	2,729,836,594
Less: Excise Duty		-	17,235,101
Net Revenue from operations		<u>1,945,489,027</u>	<u>2,712,601,492</u>
Other Operating Revenue	20	7,383,915	7,059,446
Other Income	21	43,331,726	42,235,060
<b>Total Revenue</b>		<u><b>1,996,204,668</b></u>	<u><b>2,761,895,998</b></u>
<b>EXPENSES</b>			
Cost of materials consumed	22	217,804,957	185,689,563
Purchase of Stock-in-Trade	23	1,530,932,234	2,072,134,031
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(134,764,026)	32,071,477
Employee benefit expenses	25	152,552,400	155,614,567
Financial costs	26	53,100,117	53,414,652
Depreciation and amortization expenses	11	14,114,585	14,258,546
Other expenses	27	334,422,150	212,659,412
<b>Total Expenses</b>		<u><b>2,168,162,417</b></u>	<u><b>2,725,842,246</b></u>
Profit/(Loss) before exceptional and extraordinary items and tax		(171,957,749)	36,053,752
Exceptional Items		44,679	-
Profit/(Loss) before tax		<u>(172,002,428)</u>	<u>36,053,752</u>
Tax expenses:			
(1) Current tax		353,399	13,066,861
(2) Deferred tax		(988,520)	9,901,519
(3) Income tax liability of earlier year		(486,761)	-
Profit / (Loss) for the year		<u>(170,880,546)</u>	<u>13,085,372</u>
Earning per equity share: (Refer Note 34)			
(1) Basic		(12.60)	0.96
(2) Diluted		(12.60)	0.96

Significant Accounting Policies

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

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
Partner  
Membership No.: 9939

**Brijgopal Bang**  
Chairman & Managing Director  
(DIN: 00112203)

**Raghvendra Bang**  
Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014



## CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2014

(In Rs.)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>A. Cash flow from Operating Activities</b>		
<b>Net profit/(Loss) before taxation</b>	(171,957,749)	36,053,753
Adjustments for:		
Depreciation	14,114,586	14,258,546
Amortisation	-	269,804
(Profit) / Loss on sale of Fixed Assets	238,193	-
Sundry Balances Written back	(2,065,072)	(636,148)
Prior Period	-	(485,475)
Exchange rate fluctuation loss/(gain)	1,164,517	-
Loss due to cancellation of contract (WIP)	-	3,020,000
Interest income	(17,228,868)	(17,033,224)
Dividend income	(1,180)	(2,210)
Interest expense	36,731,926	37,908,931
<b>Operating profit before Working Capital changes</b>	<b>(139,003,647)</b>	<b>73,353,977</b>
<b>Changes in</b>		
Inventories	(140,013,569)	65,547,713
Trade Receivables	317,922,044	(255,308,167)
Loans and Advances & other current assets	11,003,563	(5,598,870)
Trade Payables, Other liabilities & provisions	(6,213,073)	(32,642,565)
Cash generated from operations	43,695,319	(154,647,913)
Direct taxes paid (net)	(9,790,673)	(10,082,363)
<b>Net Cash from Operating Activities</b>	<b>33,904,646</b>	<b>(164,730,276)</b>
<b>B. Cash flows from Investing activities</b>		
Payment for Purchase of Fixed Assets	(23,849,560)	(22,851,266)
Capital work-in-progress	(162,428)	(2,422,173)
Receipt from sale of assets	2,868,729	1,573,167
Purchase of Investment	(1,388,013)	(44,838,872)
Sale of Investment	-	17,033,224
Interest received	17,228,868	2,210
Dividends received	1,180	-
<b>Net Cash from Investing Activities</b>	<b>(5,301,224)</b>	<b>(51,503,710)</b>
<b>C. Cash flows from Financing Activities</b>		
Short Term Borrowings	61,101,149	184,193,710
Long Term Borrowings	(1,136,202)	(5,403,538)
Proceeds from working capital borrowing	44,679	4,412,095
Interest paid	(36,731,926)	(37,908,931)
<b>Net cash from Financing Activities</b>	<b>23,277,700</b>	<b>145,293,336</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>51,881,123</b>	<b>(70,940,650)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>118,344,231</b>	<b>191,223,355</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>170,225,354</b>	<b>120,282,705</b>

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

1

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

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Director  
(DIN: 00356811)

**Nishi V. Vargiya**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

**Note 1****NOTES TO ACCOUNTS  
SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects in respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which impairment is made and revaluation is carried out and derivative instruments. The accounting policies have been consistently applied by the Company and except for the changes 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., A. S. Raiment Pvt. 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**

- (a) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.
- (c) 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 CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<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)		<u>160,000,000</u>	<u>160,000,000</u>
<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		<u>135,600,000</u>	<u>135,600,000</u>
<b>Note 3 : Reserves &amp; Surplus</b>			
(a) Capital Reserve on Consolidation		<b>5,139,017</b>	<b>5,139,017</b>
(b) General Reserve		<b>4,915,173</b>	<b>4,915,173</b>
(c) Securities Premium Account			
Balance at the beginning of the year		600,892,638	600,892,638
Add: Current year transfer		-	-
<b>Balance at the end of the year</b>		<b><u>600,892,638</u></b>	<b><u>600,892,638</u></b>
(d) Surplus in Profit Loss Statement			
Balance at the beginning of the year		165,707,194	152,621,821
Add: Current year transfer		(170,880,546)	13,085,373
Balance at the end of the year		(5,173,352)	165,707,194
Less : Elimination of Profit on consolidation		17,677,302	18,840,981
<b>Total</b>		<b><u>588,096,174</u></b>	<b><u>757,813,041</u></b>
<b>Note 4 : Long term Borrowings</b>			
<b>Secured</b>			
Car Loan		1,791,110	3,178,565
<b>Total</b>		<b><u>1,791,110</u></b>	<b><u>3,178,565</u></b>
<b>a) Nature of Security for Long term borrowings</b>			
Car Loan is taken from Kotak Mahindra Prime Ltd is secured against hypothecation of cars.			
<b>b) There is now default in repayment of prioncipal amount and interest thereon .</b>			
<b>Note 5: Other Long Term Liabilities</b>			
<b>Unsecured</b>			
Security deposits Received		1,319,402	3,819,402
		<u>1,319,402</u>	<u>3,819,402</u>
<b>Note 6 : Short tem borrowings</b>			
<b>Secured</b>			
Working capital loans from bank		209,083,790	20,689,402
Buyers Credit in foreign currency		332,636,652	432,880,498
Short term loan from bank		-	27,000,000
Car Loan		37,914	-
<b>Unsecured</b>			
from Promoters & Promoter group		200,503,766	136,797,166
from Directors		24,327,393	25,758,544
from related party		5,057,699	66,557,445
		<u>771,647,213</u>	<u>709,683,055</u>

a) Nature of Security for Short term borrowings Working Capital loans and Buyer's Credit loans taken from bank's are secured against hypothecation of inventories, book debts and equitable mortgage of immovable proerties being factory land and buildings/other structures and embedded plant & machinery, and personal guarantee of Mr. Venugopal Bang and Mr. Brijgopal Bang.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

**Note 10 - Fixed Assets**

(In Rs.)

Particulars	Gross Block			Depreciation			Net Block			
	as at 01/04/2013	Addition	Deduction	as on 31/03/2014	up to 01/04/2013	for the year	Depreciation Adjustment	up to 31/03/2014	as on 31/03/2014	as on 31/03/2013
<b>i) Tangible Assets</b>										
Land	7,907,302	-	-	7,907,302	-	-	-	-	7,907,302	7,907,302
Building	31,693,993	35,853,706	-	67,547,699	1,030,118	741,593	-	1,771,711	65,775,988	30,663,875
Factory Building	68,671,613	398,138	193,970	68,875,781	12,874,709	2,306,339	-	15,181,048	53,694,733	55,796,904
Office Equipment	6,727,906	354,058	85,784	6,996,181	2,804,544	487,889	8,456	3,283,976	3,712,204	3,923,364
Computer Systems	12,679,202	948,851	95,486	13,532,567	9,835,127	1,014,350	82,734	10,766,743	2,765,824	2,844,075
Plant & Machinery	77,468,160	4,674,349	4,625,193	77,517,316	18,592,652	3,638,286	1,550,957	20,679,981	56,837,335	58,875,508
Furniture & Fixture	37,798,932	2,131,356	2,245,147	37,685,141	21,392,518	2,848,928	1,705,540	22,535,906	15,149,235	16,406,414
Motor Vehicles	14,359,567	104,670	1,751,493	12,712,744	6,065,837	1,825,868	1,583,419	6,308,286	6,404,458	8,293,730
Leasehold Improvements	7,993,408	345,760	110,213	8,228,955	1,339,233	513,885	14,815	1,838,303	6,390,652	6,654,175
<b>Total</b>	<b>265,300,083</b>	<b>44,810,888</b>	<b>9,107,286</b>	<b>301,003,685</b>	<b>73,934,738</b>	<b>13,377,137</b>	<b>4,945,921</b>	<b>82,365,954</b>	<b>218,637,727</b>	<b>191,365,341</b>
<b>ii) Intangible Assets</b>										
Computer Software	4,593,220	1,267,016	8,437	5,851,799	2,744,494	737,448	5,573	3,476,369	2,375,430	1,848,726
<b>Total</b>	<b>4,593,220</b>	<b>1,267,016</b>	<b>8,437</b>	<b>5,851,799</b>	<b>2,744,494</b>	<b>737,448</b>	<b>5,573</b>	<b>3,476,369</b>	<b>2,375,430</b>	<b>1,848,726</b>
<b>Grand Total (i+ii)</b>	<b>269,893,303</b>	<b>46,077,904</b>	<b>9,115,723</b>	<b>306,855,484</b>	<b>76,679,232</b>	<b>14,114,585</b>	<b>4,951,494</b>	<b>85,842,323</b>	<b>221,013,157</b>	<b>193,214,067</b>
Previous Year	240,563,020	31,668,036	2,327,752	269,893,304	63,178,043	14,258,546	757,357	76,679,232	193,214,067	177,374,977
<b>iii) Capital Work in progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,704,081</b>	<b>100,147,223</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>Note 7 : Trade Payables</b>			
Payables for goods & Services		111,527,241	137,226,384
Payables to related parties		17,847,804	93,689
		<u>129,375,045</u>	<u>137,320,073</u>
<b>Note 8 : Other Current Liabilities</b>			
Statutory Liabilities		5,591,901	6,140,556
Payable for Capital Expenditures		1,594,100	-
Interest accrued but not due on loans		1,733,292	3,367,391
Advances from customers		7,805,413	2,337,095
		<u>16,724,707</u>	<u>11,845,043</u>
<b>Note 9: Short Term Provisions</b>			
Provision for employee benefits		12,986,280	10,577,302
Provision for gratuity		1,724,575	674,613
		<u>14,710,855</u>	<u>11,251,915</u>
<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	10,000
Excel Agencies Pvt Ltd	10	5000	2,500,000
N.K. Overseas Pvt Ltd	100	500	2,500,000
			<u>-</u>
			<u>5,010,000</u>
<b>Note 12 : Long term Loans and advances</b>			
Unsecured, considered good			
Capital Expenditure Advances		45,309,000	67,909,000
Security Deposits		3,792,675	-
Advance Tax and Tax Deducted at Source (Net of Provision)		18,093,860	-
Bank Guarantee Deposits		2,314,694	-
Balances with Government authorities		23,302	-
Advances to employees		16,948,911	-
		<u>86,482,442</u>	<u>67,909,000</u>
<b>Note 13 : Other Non Current Assets</b>			
Preliminary Expenses		6,952	9,269
		<u>6,952</u>	<u>9,269</u>
<b>Note 14 : Inventories</b>			
(As taken, Valued & Certified by the Management)			
Raw Materials and components		59,451,976	52,360,008
Work In Progress		798,961	-
Finished goods		15,272,252	11,129,781
Trade goods		343,863,981	214,041,387
		<u>419,387,170</u>	<u>277,531,176</u>
<b>Note 15 : Trade Receivables</b>			
Unsecured, considered good unless otherwise stated			
Debts outstanding for a period exceeding six months		79,231,515	215,478,573
Other Debts		342,647,961	543,280,267
Receivable from Directors & Relatives		101,419,609	81,607,651
		<u>523,299,086</u>	<u>840,366,491</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>Note 16 : Cash and Bank Balances</b>			
<b>Cash and Cash equivalents</b>			
<b>Balances with Banks</b>			
- Current Accounts		47,205,112	24,413,778
- Fixed Deposit Accounts		122,518,799	95,254,943
Cash In Hand		501,444	613,984
		<u>170,225,354</u>	<u>120,282,705</u>
Balances with banks in deposit accounts includes fixed deposits aggregating to Rs. 21,04,694/- 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. 8,18,86,109/- 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. Also fixed deposits aggregating to Rs. 2,00,00,000/- liened against working capital facilities.			
<b>Note 17 : Short term Loans and advances</b>			
Unsecured, considered good unless otherwise stated			
Advances to employees		1,919,629	26,850,605
Advances towards purchase of goods / services		82,948,684	61,659,971
Advance Tax & T.D.S. (Net of provisions)		-	7,202,171
Prepaid expenses		2,924,391	3,879,175
Balances with Government authorities		13,368,223	6,154,052
Insurance Claim Receivable		-	2,466,361
Security Deposits		3,895,244	9,070,108
Deposits with financial institutions		30,199,198	60,000,000
		<u>135,255,370</u>	<u>177,282,444</u>
<b>Note 18 : Other Current Assets</b>			
DFIA/DFRC import licenses		15,379,254	7,280,309
Interest accrued but not due on deposits		103,414	68,702
		<u>15,482,667</u>	<u>7,349,011</u>
<b>Note 19 : Revenue from Operations</b>			
Sale of Products			
- Trade Goods		1,321,616,603	1,442,017,528
- Manufactured Goods		264,713,949	303,930,891
Export Sales			
- Trade Goods		191,709,320	877,911,559
- Manufactured Goods		73,302,497	33,231,019
Jobwork Charges/Scrap Sales		94,146,659	82,116,008
		-	-
<b>Gross Sales :</b>		<b>1,945,489,027</b>	<b>2,739,207,004</b>
Less : Inter Department Transfer		-	9,370,411
<b>Net Sales :</b>		<b>1,945,489,027</b>	<b>2,729,836,594</b>
<b>Note 20 : Other Operating Revenue</b>			
Duty drawback/DEPB incentives		7,273,611	4,897,431
Misc. Income (Insurance claim, Transport & Octroi Receipts )		110,304	105,135
Decrease in Excise duty provision on finished goods		-	2,056,880
		<u>7,383,915</u>	<u>7,059,446</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>Note 21 : Other Income</b>			
Interest on Deposits		16,662,336	17,033,389
Rent received		12,424,786	14,029,786
Hire Charges Received & Misc. Income		56,250	156,737
Dividend		1,180	2,210
Sundry balances written off		12,730,973	8,546,577
Profit on sale of fixed assets		1,665	-
Insurance Claim Received		1,006,746	2,466,361
Foreign Exchange Gain / (Loss)		447,789	
		<b>43,331,726</b>	<b>42,235,060</b>
<b>Note 22 : Cost of Material Consumed</b>			
Opening stock of Raw Material		42,284,457	61,088,874
Add: Purchases of Raw Material		227,133,463	166,885,146
Less: Closing stock of Raw Material		51,612,963	42,284,457
		<b>217,804,957</b>	<b>185,689,563</b>
<b>Note 23 : Trade Purchases</b>			
Trade Purchases		1,454,620,718	2,058,806,681
Jobwork charges		76,311,516	22,697,760
		<b>1,530,932,234</b>	<b>2,081,504,441</b>
Less : Inter Department Transfer		-	9,370,411
<b>Net Purchase</b>		<b>1,530,932,234</b>	<b>2,072,134,031</b>
<b>Note 24 : Increase (Decrease) in Inventories</b>			
<b>Opening Stock</b>			
- Trade Goods		214,041,387	238,046,585
- Work -in - progress		-	472,284
- Finished Goods		11,129,781	18,723,776
	(A)	<b>225,171,168</b>	<b>257,242,645</b>
<b>Less: Closing Stock</b>			
- Trade Goods		343,863,981	214,041,387
- Work -in - progress		798,961	-
- Finished Goods		15,272,252	11,129,781
	(B)	<b>359,935,194</b>	<b>225,171,168</b>
	(A) -(B)	<b>(134,764,026)</b>	<b>32,071,477</b>
<b>Note 25 : Employee Compensation</b>			
Salaries, Wages, and Bonus		135,540,559	140,892,828
Contribution to Provident Fund and other fund		11,361,520	9,943,453
Gratuity Expenses		1,385,517	845,721
Workmen and staff welfare expenses		4,264,804	3,932,565
		<b>152,552,400</b>	<b>155,614,567</b>
<b>Note 26 : Finance Expenses</b>			
Interest			
On Working capital loans		10,117,703	11,842,699
Others		26,047,642	26,066,230
Bank Charges		16,934,771	15,505,723
		<b>53,100,117</b>	<b>53,414,652</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>Note 27 : Other Expenses</b>			
Power & Fuel		7,652,098	9,480,868
Freight and forwarding charges		16,152,295	24,704,559
Rent		13,292,327	14,460,142
Rates & Taxes		3,111,349	2,946,575
Insurance Charges		1,980,022	3,126,853
Repairs & Maintenance			
- Plant & Machinery		2,012,760	1,610,989
- Building		1,480,064	159,516
- Other		2,655,222	2,325,909
Advertising		53,528	220,403
Sales Promotion & Sampling		5,887,551	5,400,037
Brokerage & Sales Commission		12,969,749	8,355,928
Travelling and Conveyance Expenses		10,194,763	13,828,419
Communication Cost		2,594,254	2,975,519
Printing & Stationary		1,709,733	2,016,353
Professional and Consultancy fees		6,020,669	6,270,809
Directors Sitting fees		125,000	106,742
Remuneration to Director		4,901,388	3,720,000
Auditor's remuneration			
- Audit fee		474,120	246,640
- Tax Audit fee		105,000	70,000
- Others		44,000	67,000
Loss due to cancellation of contracts		-	3,020,000
Loss on sale of fixed Assets		239,858	269,804
Foreign Exchange (Gain) / Loss		21,665,641	7,034,429
Courier & Postage		4,430,265	6,151,349
Vehicle Expenses		1,210,227	877,021
Packing Material Expenses		4,260,219	3,211,259
Transportation for factory workers		1,618,119	1,827,124
Jobwork & Washing charges		184,963	32,768,601
Security and service charges		3,584,114	2,815,147
Discount and rebate on sales		11,990,062	16,085,092
Bad Debts		188,743,867	30,197,866
Loss on insurance claim		150,454	-
Sundry Balances Written off		16,505	348,683
Wealth Tax		50,000	-
Prior Period Items (net)		1,512,362	427,353
Miscellaneous Expenses		1,349,602	5,532,425
		<b>334,422,150</b>	<b>212,659,412</b>

## NOTES ON ACCOUNTS:

### 28. Segment Reporting:

#### a. Primary Segment:

The Company is primarily engaged in single 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	1,578,259,460	367,229,567	1,945,489,027
	(1,801,458,914)	(911,142,578)	(2,712,601,492)
*Segment Assets	434,388,399	88,910,686	523,299,085
	(755,866,282)	(84,500,209)	(840,366,491)

(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. 1,32,92,327/- (P.Y. Rs. 1,44,60,142) 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	31.03.2014	31.03.2013
Due not later than 1 year	10,162,572	9,124,048
Due later than 1 year but not later than five years	6,259,965	13,450,276
Later than 5 years	738,132	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. 1,24,24,786/- (P. Y. Rs. 1,40,29,786) relating lease arrangements.

### 30. Employee Benefit Plan:

The Company has recognized Rs. 13,85,517/- (PY Rs. 8,45,721/-) in the Profit and Loss Account for the year ended 31st March 2014 under defined contribution plans.

#### (a) Expenses recognized in Profit & Loss Account for the year ended 31 March 2014:

(In Rs.)

Particulars	31.03.2014	31.03.2013
Current service cost	2,045,525	2,112,003
Interest cost	451,167	343,669
Expected return on Assets	(353,603)	(306,112)
Actuarial (gains) / losses	(757,572)	(1,303,839)
Past service cost	-	-
<b>Net expenses</b>	<b>1,385,517</b>	<b>845,721</b>

**(b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2014:**

(In Rs.)

Particulars	31.03.2014	31.03.2013
Defined benefit obligation	6,346,730	5,271,277
Fair value of plan assets	4,622,155	4,596,664
Fund status [Surplus/(Deficit)]	(1,724,575)	(674,613)
Net Assets / (Liability)	(1,724,575)	(674,613)

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

(In Rs.)

Particulars	31.03.2014	31.03.2013
Opening defined benefit obligation	5,271,277	4,436,521
Current service cost	2,045,525	2,112,003
Interest cost	451,167	343,669
Benefit paid	(691,728)	(334,689)
Actuarial (gains) / Losses	(729,512)	(1,286,227)
Closing defined benefit obligation	6,346,730	5,271,277

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

(In Rs.)

Particulars	31.03.2014	31.03.2013
Fair Value of Plan Assets at the beginning of the period.	4,596,664	3,339,991
Expected Return on Plan Assets	353,604	306,112
Actuarial (gains) / Losses	28,041	17,612
Assets distributed on settlements	-	-
Actual Company Contributions less Risk Premium	335,574	1,267,638
Benefit Payments	(691,728)	(334,689)
Fair Value of the assets	4,622,155	4,596,664

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

Assumption	31.03.2014	31.03.2013
Discount rate	9.16%	8.05%
Expected return on assets	8.00%	8.05%
Salary Increase	6.75%	7.00%
Attrition rates	4%	5%
Mortality table	Indian Assured Lives Mortality (2006-08) (Ultimate)	

**31. Contingent Liabilities:**

(In Rs.)

Particulars	31.03.2014	31.03.2013
(a) Claims against Company not acknowledged as debts:		
Income Tax Matters	24,674,430	-
Others	1,643,803	-
(b) Other Liabilities		
Bank Guarantees	21,975,000	1,975,000
Letter of credit	48,472,816	15,136,521
Export Obligation	37,420,542	30,481,689
Sales Tax declaration forms	7,417,623	5,619,686
Stand by Letter of credit	25,600,000	30,000,000
<b>Total</b>	<b>167,204,214</b>	<b>83,212,896</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	31.03.2014	31.03.2013
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	19,639,387	19,325,447
On account of expenditure allowed u/s 43B on payment basis	621,968	1,885,937
On account of deduction u/s 35DD	99,747	104,734
Total	20,361,102	21,316,118
Deferred Tax Assets		
Expenditures disallowed u/s 43B	2,759,329	2,725,825
Deferred Tax Liabilities (Net)	17,601,773	18,590,293

- 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.

**34 Earning per Share (EPS):**

(In Rs.)

Particulars	31.03.2014	31.03.2013
Profit/(Loss) for the year after tax	(170,880,547)	13,085,373
Nominal value per share	10	10
Number of equity shares	13,560,000	13,560,000
EPS Excluding exceptional item	(12.60)	0.96
EPS Including exceptional item	(12.60)	0.96

**35. Prior Period Items:**

(In Rs.)

Particulars	31.03.2014	31.03.2013
Rent Expenses	-	291,305
Professional & Consultancy Charges	-	6,000
TDS and Interest of earlier year	71,703	-
Professional Tax liability of earlier year	17,500	-
Sales Tax liability of earlier year	1,276,413	17,184
Capitalisation of expenses not accounted earlier	-	112,864
Property Tax	122,502	-
Water Charges	29,000	-
Total expenses	1,517,118	427,353
Less : Income		
Wealth Tax Liability of earlier year	4,756	-
Prior Period (Income) / Expenses – (net)	1,512,362	427,353

**36. Derivative Instruments :**

**a. There are following outstanding forward exchange contracts entered into by the Company as on 31st March, 2014 for hedging the currency risk:**

(In Rs.)

Particulars	Purpose	31.03.2014	31.03.2013
Forward Contract to Sale USD 400,000	Hedge of export receivables	24,040,000	-
Forward Contract to buy USD 10,00,000	Hedge of buyer credit & towards exports	-	54,812,500

**b. The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2014 are as follows:**

(In Rs.)

Particulars	31.03.2014	31.03.2013
Assets (Receivable)	182,054,998	247,218,801
Liabilities (Payable)	360,655,531	484,272,412

**37 Previous year figures are regrouped, rearranged and restated where ever necessary.**

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
**Partner**  
Membership No.: 9939

**Brijgopal Bang**  
**Chairman & Managing Director**  
(DIN: 00112203)

**Raghvendra Bang**  
**Director**  
(DIN: 00356811)

**Nishi V. Vargiya**  
**Company Secretary**

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014

**38. Information on Related Party Disclosure**

A.	Key Managerial Persons (KMP)	Brijgopal Bang Purshottam Bang Raghavendra Bang
B.	Relatives of Key Managerial Persons	Balaram Bang Radhadevi Bang Girdhargopal Bang Rajgopal Bang Nandgopal Bang Venugopal Bang Vandana Bang
C.	Enterprises owned or significantly influenced by key management personnel or their relatives	1) Bang Data Forms Pvt. Ltd. 2) Thomas Scott India Ltd 3) Hari Om Traders 4) Shree Balaji Fabrics 5) Venugopal Bang (HUF)

**Disclosure of transaction between the Company and related Parties and status of outstanding balances as on 31st March, 2014**

(In. Rs.)

Particulars	31.03.2014	31.03.2013
<b>Key Managerial Persons (KMP)</b>		
<b>Brijgopal Bang</b>		
Loans taken	1,150,000	950,000
Loans repaid	5,150,026	850,000
Interest paid	2,271,807	2,018,263
Salary paid	3,480,000	3,480,000
Sale of fabrics	14,782	-
Outstanding payable as on 31st March 2014	19,130,464	20,992,879
<b>Purshottam Bang</b>		
Interest paid	582,499	473,148
Salary paid	720,000	227,400
Outstanding payable as on 31st March 2014	5,401,018	4,854,158
<b>Raghavendra Bang</b>		
Interest paid	-	-
Salary paid	720,000	240,000
Sale of fabrics	36,953	3,910
Outstanding payable as on 31st March 2014	48,111	-
<b>Relatives of Key Managerial Persons</b>		
<b>Balaram Bang</b>		
Loans taken	-	5,000,000
Loans repaid	1,400,000	5,000,000

**Disclosure of transection between the Company and related Parties and status of outstanding balances as on 31st March, 2014**

(In. Rs.)

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Interest paid	7,176,279	5,843,582
Rent paid	180,000	180,000
Sale of fabrics	-	600
Outstanding payable as on 31st March 2014	65,189,472	59,950,821
Outstanding receivable as on 31st March 2013	-	600
<b>Radhadevi Bang</b>		
Interest paid	429,583	348,939
Outstanding payable as on 31st March 2014	3,966,481	3,579,857
<b>Venugopal Bang</b>		
Interest paid	46,913	32,257
Sale of fabrics	-	9,554
Outstanding payable as on 31st March 2014	373,164	330,943
<b>Rajgopal Bang</b>		
Interest paid	323,499	262,770
Sale of fabrics	5,386	-
Outstanding payable as on 31st March 2014	2,986,974	2,695,825
<b>Nandgopal Bang</b>		
Loans repiad	-	59,588
Interest paid	-	3,187
Sale of fabrics	5,810	-
Outstanding receivable as on 31st March 2014	NIL	NIL
<b>Vandana Bang</b>		
Salary Paid	1,200,200	-
Outstanding receivable as on 31st March 2014	93,521	NIL
<b>Harshvardhan Bang</b>		
Salary Paid	240,000	-
Sale of fabrics	45,591	10,477
Outstanding receivable as on 31st March 2014	19,800	8,041
<b>Enterprises owned or significantly influenced by key mangement perosnnel or their relatives</b>		
<b>Bang Data Forms Pvt. Ltd.</b>		
Loans taken	5,000,000	2,677,092
Loans repaid	-	7,991,708



**Disclosure of transection between the Company and related Parties and status of outstanding balances as on 31st March, 2014**

(In. Rs.)

Particulars	31.03.2014	31.03.2013
Interest paid	64,110	43,669
Loans given	15,000,000	-
Interest Received	19,726	-
Outstanding payable as on 31st March 2014	5,057,699	NIL
<b>Thomas Scott India Ltd.</b>		
Purchase of finished goods / raw materials etc.	17,219,881	20,123
Sale of finished goods / raw materials etc.	272,760,753	216,622,918
DFRC Licenses Purchase	5,817,328	-
Rent Received	264,205	-
Outstanding Receivable as on 31st March 2014	84,343,211	79,266,712
<b>Venugopal Bang (HUF)</b>		
Rent Paid	180,000	180,000
Outstanding payable as on 31st March 2014	180,000	NIL
<b>Shree Balaji Fabrics</b>		
Sale of finished goods / raw materials etc.	173,224	442,598
Outstanding payable as on 31st March 2014	NIL	NIL
<b>Hari Om Traders</b>		
Purchase of finished goods / raw materials etc.	45,885	-
Outstanding payable as on 31st March 2014	45,885	-

As per our report of even date

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

For and on behalf of Board of Directors  
**BANG OVERSEAS LTD.**

**Rajendra Kumar Gupta**  
**Partner**  
Membership No.: 9939

**Brijgopal Bang**  
**Chairman & Managing Director**  
(DIN: 00112203)

**Raghvendra Bang**  
**Director**  
(DIN: 00356811)

**Nishi V. Vargiya**  
**Company Secretary**

Place : Mumbai  
Date : 30th May 2014

Place : Mumbai  
Date : 30th May 2014







**BANG & SCOTT**

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**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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