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PROSPECTUS
Dated : February 5, 2008
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue

Bang Overseas Limited

(Our Company was incorporated as Bang Overseas Private Limited on June 1, 1992 and was converted into a Public Limited Company on February 4, 2005)

Registered Office: Masjid Manor, IInd Floor, 16 Homi Modi Street, Fort, Mumbai- 400 023.
Tel.: (022) 2204 3496 Fax (022) 2281 0379 Website: www.banggroup.com
Corporate Office: 144, Kewal Industrial Estate, 1st floor, Senapati Bapat Marg, Lower Parel (West), Mumbai-400 013, India.
Tel.: 91-22-66607965; **Fax:** 91-22-66607970 **E-mail:** ipo@banggroup.com
Contact Person: Mr. Jaydas Dighe, Vice President (Finance) & Compliance Officer

PUBLIC ISSUE OF 3,500,000 EQUITY SHARES OF RS. 10/- EACH AT A PRICE OF RS. 207 PER EQUITY SHARE FOR CASH AGGREGATING RS. 724.50 MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"), INCLUDING EMPLOYEE RESERVATION OF 100,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT A PRICE OF RS. 207 PER EQUITY SHARE FOR CASH AGGREGATING RS. 20.70 MILLION (HEREINAFTER REFERRED TO AS THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION SHALL BE 3,400,000 EQUITY SHARES OF RS. 10/- EACH (HEREINAFTER REFERRED TO AS THE "NET ISSUE TO THE PUBLIC"). THE ISSUE WILL CONSTITUTE 25.81% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

THE ISSUE PRICE IS 20.70 TIMES THE FACE VALUE OF Rs.10 /- EACH

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited and National Stock Exchange, by issuing a press release and by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and the terminals of the member of the Syndicate. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Bang Overseas Limited ("the Company"), there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares of the Company is Rs. 10/- per share and the Issue Price is 20.70 times of the face value of the Equity Shares of the Company.** The Issue Price (as has been determined and justified by the Book Running Lead Manager and the Company as stated herein under the paragraph 'Basis of Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page iii of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The in-principle approvals of BSE and NSE for listing of Equity Shares of the Company have been received pursuant to letters dated September 14, 2007 and October 25, 2007 respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

IPO GRADING

The Issue has been graded by CARE. CARE has assigned "IPO GRADE 2" to the Initial Public Offering of the Company. For more information on IPO Grading, please refer to page no. 12 of this Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
almondz *the financial powerhouse* **ALMONDZ GLOBAL SECURITIES LIMITED** 33, Vaswani Mansion, 6th Floor Dinshaw Vachha Road, Churchgate, Mumbai–400020 **Phone**: +91-22-2287 0580, **Fax**: +91-22 2287 0581 **Email**: bang.ipo@almondz.com Investor E-mail id : complaints@almondz.com **Website**: www.almondzglobal.com **Contact Person**: Mr. Sunit Shangle SEBI Regn. No.: INM/000000834	KARVY Karvy Computershare Private Limited **KARVY COMPUTERSHARE PRIVATE LIMITED** Plot no.17-24 Vittal Rao Nagar, Madhapur, Hyderabad-500081 **Tel**: (91 40) 2343 1553 **Fax**: (91 40) 2343 1551 **E-mail**: bang.ipo@karvy.com **Website**: www.karvy.com **Contact Person:** Mr. Murli Krishna SEBI Regn. No.: INR000000221

BID / ISSUE PROGRAMME	
BID/ISSUE OPENED ON : JANUARY 28, 2008	**BID/ISSUE CLOSED ON : JANUARY 31, 2008**

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

Term	Description
"Bang Overseas Limited" or "BOL" or "the Company" or "Our Company"	Bang Overseas Limited, a public limited company incorporated under the Companies Act, 1956 having its registered office at Masjid Manor, IInd Floor, 16, Homi Modi Street, Fort, Mumbai - 400 023, INDIA.
"We" or "us" or "our"	Unless the context otherwise require, refers to Bang Overseas Limited

General / Conventional Terms

Terms	Description
Articles / Articles of Association	Articles of Association of Bang Overseas Limited
Auditors	The statutory auditors of Bang Overseas Limited viz., M/s Rajendra K. Gupta & Associates, Chartered Accountants, Room No,. 3, Kshipra Society, Akruli Road No. 1, Kandivali (E), Mumbai - 400 101.
Board of Directors / Board	The Board of Directors of Bang Overseas Limited
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Bang Overseas Limited, unless otherwise specified
Equity Shares	Equity Shares of the Company of face value of Rs. 10 each unless otherwise specified in the context thereof
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of Bang Overseas Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Mr.Venugopal Bang and Mr.Brijgopal Bang.
Registered Office	Masjid Manor, IInd Floor, 16, Homi Modi Street, Fort, Mumbai - 400 023, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992

Terms	Description
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited

Issue Related Terms and Abbreviations

Terms	Description
Almondz	Almondz Global Securities Limited
Allotment / Allocation	Unless the context otherwise requires, the issue and the allotment/ allocation of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are issued
Bankers / Escrow Bankers to the Issue	ICICI Bank Limited, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited and Kotak Mahindra Bank Limited
Bid	An indication to make an offer during the Bidding / Issue Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid/Issue Closing date	The date after which the Syndicate Members will not accept any Bids for the Issue, which shall be notified in a English National Newspaper, a Hindi National Newspaper and a Marathi Newspaper with wide circulation.
Bid/Issue Opening Date	The date on which the Syndicate Members shall start accepting Bids for the Issue, which shall be the date notified in a English National Newspaper, Hindi National Newspaper and a Marathi Newspaper with wide circulation.
Bid- cum- Application Form	The form in terms of which the bidder shall make an offer to purchase Equity Shares of our Company, and which will be considered as the application for allotment in terms of the Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form.
Bidding Period/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process	Book Building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.

Terms	Description
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Almondz Global Securities Limited
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLMs and it shall be any price within the price band. Only Retail Individual Bidders and Eligible Employees are entitled to bid at Cut-off Price, for a Bid Amount not exceeding Rs.1,00,000. Qualified Institutional Buyers and Non-Institutional Bidders are not entitled to bid at Cut-off Price.
Designated Date	The date on which Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders
Depositories Act	The Depositories Act 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus/ Draft RHP/DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60 B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and number of Equity Shares in this Issue. It will become a Red Herring Prospectus after filing with the Registrar of Companies, Maharashtra at least three days before the opening of this Issue. It will become a Prospectus after filing with the Registrar of Companies, Maharashtra, after the Pricing Date.
Equity Shares	Equity shares of our Company of face value of Rs.10/- each, unless otherwise specified
Eligible Employees	Permanent Employees of the Company who are Inidan nationals based in India as on the Bid / Issue Opening Date and are present in India on the date of submission of the Bid-cum-Application Form, including a director of the Company, who is an Indian national, whether a whole time director, part time director or otherwise, except any Promoter or members of the Promoter Group, as of December 31, 2007 and based and present in India
Employee Reservation Portion	The portion of the Issue being upto 100,000 Equity Shares available for allocation to Eligible Employees
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid

Terms	Description
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected, to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which the Escrow Account will be opened.
First Bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
IPO	Initial Public Offering
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by the Company in consultation with BRLMs on the Pricing Date
Issue Account/ Public Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Period	The period between the Bid / Issue Opening Date and Bid / Issue Closing Date including both these dates.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% or 100% of the Bid Amount, depending on the category of the Bidder.
Members of the Syndicate	The BRLM and the Syndicate Members
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	5% of the QIB portion or 85,000 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Non-Institutional Portion	The portion of this Issue being at least 510,000 Equity Shares of Rs. 10 each, available for allocation to Non Institutional Bidders.
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate Members, or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Pay-in-Date	Bid / Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	Means: (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	Price band of a minimum price of Rs. 200 per Equity Share (Floor Price) and the maximum price of Rs. 207 per Equity Share (Cap Price), both inclusive and includes revisions thereof

Terms	Description
Pricing Date	The date on which the Company, in consultation with the BRLMs, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue/Issue	Initial Public Issue of 3,500,000 Equity Shares of Rs 10/- each for cash at a price of Rs 207 per Equity Share, aggregating Rs 724.50 million (The "Issue"). The Issue comprises a reservation of 1,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 20.70 million for Eligible Employees (The "Employee Reservation Portion") and Net Issue of 3,400,000 Equity Shares of Rs. 10/- each for cash at a price of Rs 207 per equity share aggregating Rs. 703.80 million. The Issue would constitute 25.81% of the fully diluted post issue paid-up capital of the Company.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of the Issue being atleast 1,700,000 Equity Shares of Rs. 10/- each available for allocation to QIB bidders.
Red Herring Prospectus or RHP	The document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are issued and the size of Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/ Issue Opening Date and will become a Prospectus after filing with the RoC after pricing date.
Refund Account	Account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Refund Banker	The Hongkong and Shanghai Banking Corporation Limited
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
RoC / Registrar of Companies	Registrar of companies of Maharastra situated at Mumbai
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for a cumulative amount of not more than Rs. 100,000.
Retail Portion	The portion of the Issue being not less than 1,190,000 Equity Shares of Rs. 10/- each, available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s)

Terms	Description
Syndicate Agreement	Agreement to be entered into among the Company and Syndicate Member(s) in relation to the collection of Bids in the Issue
Syndicate Member	Almondz Global Securities Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement among the Underwriters and the Company to be entered into on or after the Pricing Date.

Technical and Industry Related Terms

Terms	Description
AEPC	Apparel Export Promotion Council.
BESCOM	Bangalore Electricity Supply Company Limited.
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
DEPB Scheme	Duty Exemption Pass Book Scheme
EPCG Scheme	Export Promotion Capital Goods Scheme
ERP	Enterprise Resource Planning
FCC	Formal Clothing Company
GATT	General Agreement on Tariff and Trade
IVRR	ING Vysya Bank Reference Rate
KIADB	Karnataka Industrial Area Development Board
LFS	Large Format Stores
MBO	Multi Brand Outlets
NCS	National Chain Store
NTP-2000	National Textile Policy, 2000
RCC	Reunion Clothing Company
Retail	The word "Retail" appearing in the Prospectus, Application Form, or any other information material or document regarding the Issue unless otherwise required is expressly intended only to indicate and describe that the term retail be read and understood as "The sale of readymade garments and accessories manufactured by Bang Overseas or sold under its brand name "Thomas Scott" and "Miss Scott" directly to ultimate consumers through its own brand outlets, large format stores and multi-brand outlets."
TUFS	Technology Upgradation Fund Scheme.
WTO	World Trade Organisation

Abbreviations

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
DIN	Director Identification Number
DRHP	Draft Red Herring Prospectus
EPS	Earning Per Share
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
MAPIN	Market Participants and Investors' Integrated Database
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	Per annum

Abbreviation	Full Form
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	Registrar of Companies, Maharashtra
ROE	Return on Equity
RONW	Return on Net Worth
Rs.	Rupees
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
US	United States of America
USD/ US$/ $	United States Dollar

SECTION II - RISK FACTORS

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL AND MARKET DATA

In the Prospectus, unless the context otherwise requires, all references to one gender also refers to the other gender. All references to "India" contained in this Prospectus are to the Republic of India.

Fiscal year of the Company commences on April 1 and ends on March 31, so all references to a particular "fiscal year" or "Fiscal" are to the twelve-month period ended March 31 of that year, unless otherwise specified. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions, see the section titled 'Definitions and Abbreviations' on page a of the Prospectus.

In the section titled 'Main Provisions of Articles of Association of the Company' beginning on page no. 184 of the Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company. Market data used throughout the Prospectus has been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes market data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

Statements included in this Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", " estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", " should", "will pursue" and similar expression or variations of such expressions, that are "forward-looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others: -

- General economic and business conditions in India and other countries
- Regulatory changes relating to the apparel industry in India and its ability to respond to them
- Ability to successfully implement Company's strategy, growth and expansion, technological changes, Company's exposure to market risks that have an impact on its business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities
- Changes in political condition in India

For further discussion of factors that could cause actual results to differ, see the section titled "Risk Factors" beginning on page no. iii of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company, and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risk and uncertainties described below, before making an investment in our equity shares. If any of the following risk actually occurs, our business, results of our operations and financial condition could suffer, the trading price of our equity shares could decline, and you may lose all or part of your investment.

The Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Prospectus.

Unless specified or quantified in the relevant risk factors mentioned below, the Company is not in a position to ascertain the financial and other implication of any of the other risks mentioned below.

INTERNAL RISK FACTORS

1. **We have limited experience in manufacturing activities and our revenues were mainly from trading activities. Our limited experience in setting and operating manufacturing activities may impact our business operations.**

   We have started manufacturing operations from our own manufacturing units from May, 2005 as we were earlier outsourcing our requirements from other manufacturing units. Bulk of our revenues in the past was attributable to trading activities, break-up of which is given in the following table:

Sr. No.	Period	Total Income (Rs. in million)	Income from trading activities (Rs. in million)	% of income from trading activity
1	April 1, 2007 - September 30, 2007	557.69	318.43	57.10
2	2006-07	732.77	362.09	49.41
3	2005-06	392.05	235.89	60.17
4	2004-05	170.27	116.68	68.53
5	2003-04	123.92	102.97	83.09

   We now plan to set up another manufacturing unit in Kolar District, Karnataka for manufacture of apparels in men's and women's wear segment with installed capacity of 6 million per annum as against existing capacity of 0.90 million per annum. Our limited experience in setting up and operating a manufacturing facility of size comparable to the proposed expansion may hinder our ability to operate the proposed facility in a commercially successful manner, in the initial periods. Since we will be required to employ a large work force, our limited experience in handling labour related issues may also be a concern. These factors may adversely affect our results of operations and financials.

2. **Volatility in the prices of fabrics, which is the basic raw material, may adversely impact our total cost of goods sold.**

   Our Company imports different type of fabrics from various international textile mills located at Turkey, Portugal, Mauritius and China for our trading and manufacturing operations. We are therefore, entirely dependent on external suppliers for the fabric which constitutes more than 90% of total cost of raw materials for apparel operations and nearly 100% for our trading operations in textile. The prices of fabric depend largely on the market prices of cotton, which is the raw material for manufacture of fabric and any increase in prices of raw material is generally passed on to our customers. However, any adverse fluctuations in the price which we may not be able to pass on to our customers, could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

3. **We have not yet identified locations to open and operate our Retail outlets and franchisee and any delay in identifying ideal locations at competitive prices could adversely impact our business and financial operations.**

   Success of our business lies largely in identifying the most suitable location in terms of sales of our manufactured merchandise and availability of desired space at competitive cost. We presently have 12 Retail outlets, including three franchise operated and propose to open another 88 Retail outlets, inclusive of 47 franchise operated, in the identified cities. But we have not yet identified the exact locations in those cities for our Retail outlets and franchesees. There may be deviation in the location if the management foresees any change in the business pattern, customer preference or in the consumption pattern. There could also be a locational change if there are certain difficulties, which are beyond the control of our management like unexpected price increase in real estate or unavailability of suitable place at the designated locations or any other legal issue in getting possession of designated space. The region-wise distribution will remain the same but the locations may differ as per the management perception. Any inability to identify and get the ideal location at our terms could adversely impact our expansion plans, which in turn could adversely impact our business operations.

4. **Our Company has not entered into any definitive arrangement to utilize the net proceeds of the Issue and any delay in timely and cost effective completion of proposed activities could adversely impact our operations.**

   The net proceeds of the Issue, excluding general corporate purposes, will be utilized for setting up Retail outlets, setting up new apparel manufacturing unit, warehousing and logistic facilities and brand building. For details about various objects, please refer to section titled "Objects of Issue" appearing on page no. 24 of this Prospectus. We have not acquired land where we propose to set up new apparel manufacturing unit. We have not placed any order for 100% of plant & machinery etc. aggregating Rs. 188.60 millions required for setting up new apparel manufacturing unit. Our inability to complete these stated objects in a competitive, timely and effective manner could adversely effect our business operations.

5. **We have not yet identified any locations in cities where we propose to purchase warehouses and any delay in timely and cost effective completion of proposed activities could adversely impact our total cost of setting up this expansion programme.**

   Out of the net proceeds of the Issue, Rs. 102.25 millions constituting 14.61% of the issue size at the lower end of the price band and 14.11% of the issue price at the upper end of the price band has been allocated for purchase of warehouses at Mumbai, Delhi, Hyderabad, Chennai and Bangalore, the locations of which have not yet been identified by our Company. We have also not entered into any arrangement / tie-ups for purchasing the same. There could be unexpected price increase in real estate or unavailability of suitable place at the designated locations or any other legal issue in getting possession of designated space. Any inability on our part to identify and get the ideal locations at our terms could adversely impact our expansion plans, which in turn could adversely impact our business operations.

6. **Our expansion project has not been independently appraised by any appraising agency.**

   The projects, for which we intend to use our Issue proceeds as mentioned in the Objects of the Issue, have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our Board of Directors within the parameters as mentioned in the section titled "Objects of the Issue" beginning from page no. 24 of this Prospectus and is not subject to any monitoring by any independent agency. The estimated costs towards rents and deposits for the lease / license arrangement for our Retail outlets may vary depending on location, size and other factors. The total cost of expansion are our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for setting up new manufacturing apparel unit have also been based on various quotations received by us from different suppliers of machineries. This may result in the rescheduling of our capital expenditure programme or relocation of some of the Retail outlets and any increase in total cost of expansion project could adversely impact our results of operations.

7. **Delay in raising funds from the IPO could adversely impact the implementation schedule and cost.**

Our expansion project is proposed to be entirely funded from the proceeds of this IPO. There has already been delay in implementation of schedule as envisaged by us. Any further delay or failure of the same, may adversely impact the implementation of the project. If this happens, it is likely that we may have to renegotiate with some of the suppliers and in some cases even settle for alternate suppliers for key equipment. Such processes can delay or increase the project cost, thereby affecting the future performance of our Company. We have planned the expansion based on timely implementation of the project and hence any delay in raising funds through IPO can affect our future performance.

8. **We have had negative cash flows in the past and sustained negative cash flow could impact our growth and business.**

We had negative cash flow from various activities and net negative cash flow in the past, details of which are as under:

(Rs. in millions)

Particulars	**For the period**					
	April 1, 2007 to September 30, 2007	**2006-07**	**2005-06**	**2004-05**	**2003-04**	**2002-03**
Net Cash flow from Operating activities	(16.90)	15.37	(15.83)	(25.39)	3.90	28.93
Net Cash flow from investing activities	(21.76)	(57.19)	(72.41)	(2.35)	(1.16)	(1.32)
Net Cash flow from financing activities	69.23	42.77	95.59	26.61	(1.91)	(29.38)
Total Net Cash flow	**30.57**	**0.95**	**7.35**	**(1.13)**	**0.83**	**(1.77)**

Note: Figures in bracket denote negative numbers.

The net cash flow of a company is a key indicator to show the extent of cash generated from operations of the company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows and sustained negative cash flow, it may adversely affect our profitability, growth and business.

9. **Failure on our part to meet consumer expectations could impact our business operations**

Our business depends on consumer preferences which cannot be predicted with certainty and are subject to rapid change. We feel that if we fail to understand and in turn respond in a timely and appropriate manner to changing consumer demand with quality products, our brand name and brand image may be impaired and in turn result in decline in sales or leave us with substantial amount of unsold inventory. We may not be able to successfully meet changing consumer demands in future. In addition, any new products or brands that we introduce in future, may not be successfully received by retailers and consumers. Any failure on our part to successfully meet consumer demand or preference may negatively affect our business, financial condition and results of operations.

10. **Our Company depends on timely identification of evolving fashion trends and creating new designs. Any lag on the part of our Company in this regard may adversely affect our business operations.**

    The key success factor in the textile and apparels business is in creating appealing designs and colour combinations to create buyer appeal. In order to be in line with this success factor, we maintain a team of in house designers who design and develop the products as per customer's needs. This team works on the development of designs by analyzing the needs of consumer, we are targeting and by parameters like designer collections presented in the fashion cities of the world, fashion reviews from earlier seasons, fashion magazines and most importantly the feedback gained from the sales of the similar products that were developed earlier. Our Company believes that the lead-time in changing fashion trends is sufficient for us to formulate our fashion strategy. Our inability to tap the changing fashion can lead to rejection and absolency of our apparel and textiles thus damaging our brand value, business operations and financial conditions.

11. **We face competition from various brands and any inability to compete with them could adversely impact our business and financial operations.**

    The extinction of quota regime has resulted into high competition in the textile industry both in the indigenous as well as in the international market. Under this scenario, we may have to confront pressures in respect of pricing, product quality etc. from the buyers and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company.

    Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. At the international level, we are in direct competition with companies in nations having a low cost base. We are also in direct competition with the leading apparel and fabric manufacturers of India as well as the local brands. Our inability to compete with this intense competition will have material adverse impact on our Company's financial position.

12. **Our Company has experienced growth in the past, which is abnormal and not-sustainable in the future. Further, our limited experience of handling Retail or franchise business could also impact our business operations.**

    Our revenues have grown from Rs. 116.44 millions during FY 2002-03 to Rs. 123.92 millions during 2003-04; Rs. 170.27 millions during FY 2004-05; Rs. 392.05 millions during FY 2005-06 and Rs. 732.77 millions during 2006-07 representing an increase of 6.42%, 37.4%, 130.25% and 86.91% respectively on a year-on-year basis. Our restated profit after tax have also increased from Rs. 0.34 millions during 2002-03 to Rs. 2.92 millions during 2003-04; Rs. 7.47 millions during 2004-05; Rs. 21.50 millions during 2005-06 and Rs. 68.63 millions during 2006-07 representing an increase of 758.82%, 155.82%, 187.82% and 219.21% respectively on a year-on-year basis. These growth levels are abnormal and we may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future.

    Further, we have a limited experience of operating Retail outlets and the development of systems and procedures are in an early stage. As against twelve Retail outlets (out of which 9 are company operated and 3 are franchise operated), we plan to open additional 88 Retail outlets (company operated will be 41 and franchise operated will be 47). This may entail substantial senior level management time and resources and we may also not be able to anticipate or evaluate all the business risks. In addition, our growth plans are considerable and would put significant demands on our management team and other resources. The success of this exponential growth plan will be dependent on various factors like maintenance of product quality, consumer satisfaction, handling of franchise business, development and improvement in our internal administrative infrastructure, internal control systems, communication systems, recruitment, training, retention of skilled manpower, and competition. Any inability on our part to manage our growth may have an adverse impact on our business and results of operations.

13. **A significant portion of our garment revenues is contributed by work executed for manufacturing of other apparel companies and any loss on our part to receive these orders would adversely impact our operations.**

Out of total garment sales revenue, 76.54% is contributed by work executed for manufacturing of other apprarel companies for the period ended September 30, 2007. These companies may decide to reduce the quantity of apprarel sourced from us because of challenging market conditions and other factors, internal or external, relating to their business. The loss in getting these orders for reasons beyond our control would adversely impact our business and financial operations.

14. **We have engaged one celebrity as our brand ambassador for promotion of our brand. Any factor adversely affecting the image of that celebrity may negatively impact our brand also.**

We have engaged Mr. Manish Malhotra as our brand ambassador for promoting our brand and products. He will provide services in connection with the advertisement, promotion, marketing and endorsement of our products. We may be affected by any negative publicity that may be carried in the media regarding the brand ambassador or any acts done by him affecting his reputation and image as a celebrity.

15. **Our inability to manage inventory in an effective manner could adversely impact our business operations.**

Our business involves forecasting of future demand and fashion trends and has to manage inventory levels based on present and future consumer demands. If we underestimate consumer demand for our products or if we fail to supply the quality products in the market at the time we need them, we may experience inventory shortages. Further, we also have to maintain an inventory of certain products that we anticipate will be in a greater demand. Any mismanagement on our part to handle inventory levels at all our Retail outlets including franchise business could diminish our brand image and in turn adversely impacting our business and financial operations.

16. **The entire inventory risk is borne by the Company under the franchisee model to be followed by us, and require us to maintain high inventory levels which in turn could result in inventory write-downs and have a material adverse effect on our business & financial operations.**

We presently have only three franchise and now propose to open additional 47 franchise operated outlets. Under the franchise model, which we propose to follow, we have to carry the inventory on our books till the sale of the apparels to the end consumer and do not pass the inventory risk to the franchisee. This business model requires us to maintain high inventory levels and is working capital intensive. Inventory levels in excess of customer demand may result in inventory write-downs and have a material adverse effect on our operating results and financial condition.

17. **We face cash flow mismatch on account of long outstanding debtor for more than 90 days, which if we fail to manage, could adversely impact our financial position.**

Our average outstanding debtor is in excess of 90 days during FY 2006-07. However, we do not enjoy much credit in the payment terms as our supplier's abroad are paid in advance. As a result, our receipts lag behind the expenses associated with sales to the extent we are required to pay for supplies before we receive payment for our products as around 75% of our raw material is imported. If we are unable to meet our immediate cash needs through our sales, we have and may continue to be required to borrow short-term funds, which may not be on favourable terms or to forego opportunities to sell more products if no such funds are available on economic terms. Although we are currently able to borrow short-term funds we may not be able to continue to borrow on such terms. Such difficulties may adversely affect our business operations and our Company's financial position.

18. **Our Company is expanding our operations to a new line of business where we do not have any prior experience and our inability to understand and handle this segment could adversely effect our operations.**

Our Company has been prevalent in the manufacturing of men's apparels in the recent past. Now we are going to expand our operations in women's garments where we do not have any prior experience of designing, manufacturing and marketing. We cannot assure you that our efforts and expenditure will successfully generate desired results and our inability to handle new product offering may adversely impact our business operations.

19. **Our Company faces exchange rate fluctuation risk.**

During financial year 2006-07 and for the period ended September 30, 2007, our import of raw material was to the extent of Rs. 366 millions and Rs. 297.55 millions respectively. After the expansion, the quantum of imported raw material may change. The fluctuations in foreign exchange rates might have an impact on the financial performance of the Company. Further, approximately 91% of total plant and machinery that the Company proposes to install is imported. We also export our apparels to different countries. If the Indian rupee value moves in unfavourable direction it will make an adverse impact on our import cost and reduce export considerations. Our inability to hedge this foreign exchange exposure may result in an adverse impact on our financial condition.

20. **Non fulfilment of export obligations in future would adversely affect our financial operations**

We have imported plant & machinery in the year 2006 and 2007 under export promotion capital goods (EPCG) for which the Company has export obligation of Rs. 50.80 millions as on November 30, 2007. Further we have export obligations aggregating to Rs. 108.00 millions against advance licenses as on November 30, 2007. For details about export obligations, please refer to page no. 70 of this Prospectus. Further, the Company is planning to import plant & machinery and equipments under EPCG scheme which would result in additional export obligation. The export obligations are required to be fulfilled as per the terms and non-fulfilling of the same would result in levy of penalty and / or interest for any defaults on case to case basis.

21. **We have not entered into any firm arrangement / agreement / contract for sale of our finished products in the textile and garment business and in the absence of any firm arrangement, there can be no assurance about the sale of our finished product.**

We sell our textile products through our own marketing network and our garment business through our Retail outlets known as "Thomas Scott" outlets, LFS and MBOs. "Thomas Scott" sales consist of 14.50% through Retail outlets, 52.23% through LFS, 12.98% through MBOs and 20.29% exports for period ended September 30, 2007. In addition, we also derive income by manufacture of garments for other brands. Therefore, we rely significantly upon third parties for sale of our products viz. LFS, MBOs and franhises. We have not entered into any firm arrangement / agreement for sale of our finished products in any section with any of our network. There can be no assurance that we or these third parties will be able to establish or maintain adequate sales capabilities for successful selling or distribution of our products. In the absence of this, our business could be adversely impacted. Further, if we are unable to build our relationship with our franchises, then our ability to generate revenues could also be adversely effected.

22. **We outsource manufacturing of certain portion of our products and are therefore dependent on third parties. Any failure by these units to comply with any regulations or failure of these manufacturers to deliver the products in a timelymanner could materially adversely affect our business operations.**

We are outsourcing certain processes under manufacturing of our products like fabrication, washing and processing from third parties in and around our manufacturing units. We have not entered into any definitive agreements / arrangements with these third parties for the work. We are also dependent on these units for maintenance of quality and compliances with different regulations applicable to those units. Any failure by these units to comply with any regulations or failure of these manufacturers to deliver the products to us in a timely manner or to meet required quality standards could cause material adverse effect on our business.

23. **We are exposed to geographical risks at new locations where we are expanding our operations. In the event, we are unable to successfully manage the risk of such an expansion, it could adversely impact our business and financial operations.**

Presently, we have only 12 operational Retail outlets in India including three franchise and we propose to open 88 additional Retail outlets (41 company operated and 47 franchise operated) across India from the proceeds of this IPO. The expansion in Retail outlets will be in new geographic areas. We do not possess the level of familiarity in respect of consumer behaviour, understanding of Retail business and manpower management in all geographical areas. In the event we are unable to successfully manage the risks of such an expansion, it could adversely impact our business operations and in turn financial conditions.

24. **Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of skilled and unskilled labourers and / or unability to retain such personnel, our business operations could be adversely affected.**

Our Company as on December 31, 2007 has employed 792 employees at our manufacturing units and offices. Further, we propose to employ 4470 manpower for our expansion activities. We are managing labour which has contributed to the smooth functioning of the operations. Our performance also depends on our ability to identify, attract and retain such talent and if we are unable to attract or retain such personnel as required, our business could be adversely affected.

25. **Our manufacturing facilities are geographically located in one area and any localized social unrest, natural calamaties, etc. could have material adverse effect on business and financial operations.**

All of our manufacturing units viz. existing and proposed are based in and around Bangalore in the state of Karnataka. As a result, any localised social unrest, natural disaster or breakdown of services and utilities in and around Bangalore could have material adverse effect on our business, financial position and results of operations. Further, continuous addition of industries in and around Bangalore without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure in Bangalore, which may affect our business.

26. **Our Company is dependent on our manufacturing facilities which are subject to operational risks and occurrence of any operational risk could adversely affect our business and financial condition.**

Our manufacturing facilities are subject to operational risks, such as breakdown or failure of equipment, power supply, labour disputes, strikes, lock-outs or other form of labour unrest, earthquakes or any other natural disasters, industrial accidents. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

27. **Our Company depends on our information technology systems and any failures in our systems could adversely impact our business.**

We rely on our information technology systems, to provide us connectivity across our business functions through our software including ERP, hardware and connectivity systems. We are implementing a suite of applications that run on SQL. Any disruptions in the functioning could disrupt our ability to track record and analyze the merchandise that we sell and cause disruptions of operations, including, among others, an inability to process shipments of goods, process financial information or credit card transactions, deliver products or engage in similar normal business activities. Our Company can be affected materially if the system is non-operational or has any flaws or errors.

28. **We and our subsidiary are involved in following legal proceedings, and any unfavourable outcome of the proceedings may impact profits and financial conditions of the Company.**

We are involved in legal proceedings and claims in India in relation to following matter. These legal proceeding is pending before High Court. Should any new developments arise, such as a change in Indian law or rulings against us by the said Court, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. Further, our Subsidiary Company has also filed one case and the proceeding of the case is pending. The summary of the cases is as follows:-

a) **Litigations involving our Company: Case filed by our Company**

Nature of Case	Number of Cases	Total Amount (Rs. in millions)	Status
Civil Case	1	2.89 and interest @18%.p.a	Our Company has filed a civil suit against Mrs. Kanta Maheshwari, for the dishonour of certain cheques aggregating to Rs. 2.89 millions issued by her in favour of our Company for certain merchandise. Our Company has filed this suit claiming the above amount along with interest at the rate of 18%. The Hon' ble Court has passed an exparte decree dated July 17, 2006 in favour of the Company. The Company is in the process of making an application to the Hon'ble Court for execution of the decree.

b) **Outstanding Litigations involving our Subsidiary Company viz. Vedanta Creations Private Limited:**

Case filed by our Subsidiary Company

Nature of Case	Number of Cases	Total Amount (Rs. in millions)	Status
Criminal Case	1	0.55	Vedanta Creations Private Limited has filed a complaint against Apex International and one Mr. Wamique before the Additional Chief Metropolitan Magistrate for the dishonour of certain cheques aggregating to Rs. 0.55 million issued in favour of the Company for the supply of assorted fabrics. VCPL has made an application before the Magistrate Court for issue of summons against Mr. Wamique. The matter is pending before the Magistrate Court and come up for hearing in due course.

For more information regarding the above legal proceedings, see the section titled "Outstanding Litigation, Material Developments and other Disclosures" beginning from page no. 143 of this Prospectus.

29. Our Promoter Group company viz. Ramkumar Venugopal Investments Private Limited have incurred losses as per the last audited financials.

Our Promoter Group Company viz. Ramkumar Venugopal Investments Private Limited has incurred losses as per the last audited financials as under:

(Rs. in millions)

Name of the company	2006-07	2005-06	2004-05
Ramkumar Venugopal Investments Private Limited	(14.82)	28.65	18.74

Note: Figures in bracket denote negative numbers.

30. Some of our promoter group firms have negative networth during the last three financial years

Some of our Promoter Group firms have negative networth during last three years, as set forth in the table given below:

(Rs. In millions)

Particulars	For the Financial Year ended March 31		
	2007	2006	2005
M/s Ramkumar Venugopal	4.26	2.55	(0.60)
Shree Balaji Vanijya	(2.65)	(1.41)	1.08

Note: Figures in bracket denote negative numbers.

31. We have entered into certain related party transactions and may continue to do so in the future.

We have entered into related party transactions aggregating to Rs. 103.57 millions for the period ended September 30, 2007 with Promoter group companies, subsidiary company and key managerial personnel and their relatives. There are sales between our Company and Promoter group companies / subsidiary company exceeding 10% of sales of our Company during various period, details of which are appearing under notes to risk factor appearing on page no. xvi of this Prospectus. While we believe that all such transactions have been conducted on the arms length basis, there can be no assurance that we could not have been achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to section titled "Related Party Transactions" at page no. 98 of this Prospectus.

32. We have taken unsecured loan which are repayable on demand. In case of untimely demand, we will have to borrow funds from banks / financial institutions at higher rate of interest, which will impact our financial operations.

Our Company had taken unsecured loan of Rs. 155.14 millions as on September 30, 2007 from our Promoters, Directors and Key Managerial Personnel and others, which can be recalled at any time and in that event, may affect the financial operations of our Company to that extent.

33. Our Promoters have interests in certain companies, which are engaged in similar businesses, which may create potential conflict of interest.

Our subsidiary company viz. Vedanta Creations Private Limited is in the same line of business. The objects clause as contained in the Memorandum of Association of our promoter group companies viz. Body Wave fashions (I) Private Limited and M/s Ramchandar Shivnarayan provide for similar line of business of our

Company. However, M/s Ramchandar Shivnarayan is currently not dealing in the same business activities but we intend to enter into a non-compete agreement with Body Wave Fashions (I) Private Limited and M/s Ramchandar Shivnarayan. Any future business activity in the same line of business activity by any of these promoter group companies may result in conflict of interest and adversely affect our business.

34. Non-renewal of lease agreements entered into by us for our Retail outlets, office premises and manufacturing units could adversely impact our business operations.

We only own one out of the two factory premises wherein our manufacturing operations are being currently carried out and the other is on lease. Further, other premises like our Corporate Office, Retail outlets, Registered Office and warehouse are not owned by us and are either rented or leased premises. If any of the owners of these premises do not renew the agreements under which we are occupying the premises or renew such agreements on terms and conditions favourable to us, we may suffer a disruption in our business operations.

35. Some of the agreements entered into by us may have irregularities, as a result of which our operations may be impaired

Some of our immovable properties viz. registered office, manufacturing unit (Formal Clothing Company), and Retail outlets, taken by us on lease/license basis have not been adequately stamped and registered with the concerned Sub-Registrar of Assurances. Irregularities of such nature may result in imposition of penalties on us and may also affect our business operations.

36. Restrictive covenants from lenders influence our ability to expand, which may affect our business and results of operations.

As per the terms of the loan agreements, we require prior written consent from the Bank, for certain activities, amongst others, including to open a current account with any other Bank, undertake capital expenditure in excess of Rs. 5 million; withdraw unsecured loans by friends/relatives/promoters during the currency of the Bank loan; make any drastic change in the constitution; change the management / shareholding pattern or raise additional loan from other banks / financial institutions.

37. Our insurance cover may be inadequate to fully protect us from all losses and this may have material adverse affect on our business and financial operations.

Our insurance policies currently consists of coverage for plant & machinery, building, accessories, stocks for risks relating to fire, natural calamities, burglary, machinery breakdown for total insured amount of Rs. 965.22 millions, details of which are disclosed on page no. 68 of this Prospectus. However, our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

In particular, we do not maintain business interruption insurance and therefore if any of our manufacturing units are damaged resulting in our operations being interrupted or we otherwise suffer an interruption to our business, we would suffer loss of revenues and our results of operations would be adversely affected.

38. Our Company is proposing to set up a manufacturing unit at District Kolar, Karnataka from the proceeds of the Issue. We shall require certain government approvals for setting up and operating this unit. In case these approvals are not provided by government authorities, we may have to change our plans and identify others places to set up this unit.

Our Company is planning to set up new apparel manufacturing unit at District Kolar, Karnataka and has applied to Karnataka Industrial Area Development Board (KIADB) for land admeasuring 35 acres in KIADB Industrial Area, Narasapura Industrial area, Distt. Kolar in the State of Karnataka. Our Company has already made an application on February 2, 2007 for allotment of the requisite land and the State Level Single Window Clearance Committee at its meeting held on February 19, 2007 had recommended to KIADB for allotment of 35 acres of land to us. The possession of the land is expected to be handed over to us by KIADB within 3 days of receipt of cost of land.

To set up and operate this unit we shall be required to take approval of local, state and central government authorities as mentioned below:

i. Permission from local and state government authorities for construction of shed and building for the manufacturing unit.

ii. License under Factories Act;

iii. Approvals from Pollution Control Department for air, water and Hazardous waste handling

iv. Sanction from the State Electricity Board for power.

v. Registration from Sales Tax department for Central Sales Tax and State Sales Tax and/or VAT;

vi. Various Labour licenses like registration for Provident Fund, ESI, labour laws etc.

We will apply for these licenses/approvals once the land is allotted in the name of our Company. The above referred licenses/ approvals are routine in nature as these approvals are required for starting/ running any unit. We have already taken the above approvals for our existing units also. As such we do not foresee any problem in obtaining these licenses/ approvals for the new unit also.

However in case we are not able to get any one or more of the above approval in some exceptional circumstance for the reasons beyond our control or change in regulations in that State, then we will identify other places to set up the unit in which case the project might get delayed effecting the business and financial operations of our Company.

We have applied on January 7, 2008 for renewal of license for Air & Water pollution from Karnataka State Pollution Control Board, which expired on December 31, 2007 for our Unit II. We also presently do not have any registration under Shops and Establishment Act, 1948 for our registered office and our existing Retail outlets from concerned local or state government authority where they are located. In case any proceedings or penalty are imposed by any government authority, our business and financial operations could be adversely effected.

39. We propose to set up our Retail outlets across the country to sell our merchandise. We shall require approvals from local and state authorities under applicable laws at the location where these outlets shall be situated. In the absence these approvals, our Company may not be able to open these outlests and sell our merchandise.

40. Our Company has seasonal business with the period between October-January showing a substantial increase in sales.

The retail industry is characterized by comparatively higher sales during the period between October to January, which is due to the festival season. Any decrease in third quarter sales, whether because of a low festival season sale, weather conditions, or otherwise, could have a material adverse effect on our business and results of operations. In addition, this variance may not facilitate quarter to quarter comparison of our financial results. Further, our income from sales of apparels is subject to seasonality of demand in India, which depends on factors such as change in weather conditions and festival celebrations.

41. Our Company has certain contingent liabilities not provided for that may affect our financial condition.

Our Company has following contingent liabilities not provided for in the books of accounts and in the event that any of these contingent liabilities materialize, our financial condition may be adversely affected to that extent. As per our audited accounts for the period ended September 30, 2007, our Company has following outstanding contingent liabilities:

(Rs. In millions)

Particulars	As on September 30, 2007
Bank Guarantees	6.04
Letter of credit	137.12
Total	**143.16**

42. Our Company is dependent on number of key personnel and the loss of or our inability to attract or retain key personnel could adversely affect us.

Our performance depends largely on the efforts and abilities of our senior management and other personnel, including our present officers. We are dependent on other members of our senior management team and the loss of the services of these individuals could adversely affect us. Our performance also depends on our ability to identify, attract and retain talent such as designers, project managers, and if we are unable to attract or retain such persons as required, our business could be adversely affected.

43. Our Company in the last 12 months issued Equity Shares at a price that could be lower than the Issue Price.

The following shares have been issued in the previous 12 months at a price lower than the issue price.

Date	Number of Shares issued	Face Value (Rs.)	Issue Price (Rs.)	Consideration
January 22, 2007	41,780	10.00	125	Cash
June 25, 2007	200,000	10.00	125	Cash
July 13, 2007	60,000	10.00	125	Cash

44. We may continue to be controlled by our Promoters following this Issue and our other shareholders may not be able to affect the outcome of shareholder voting.

After the completion of this Issue, our Promoters and Promoter Group will collectively hold more than 68.06% of the fully diluted post-Issue equity capital. Consequently, our Promoters may exercise substantial control over us and have the power to elect and remove a majority of our Directors and / or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters will be able to influence our major policy decisions and any wrong decision on their part could materially adversely affect your investment in the Equity Shares.

45. There is no existing market for the Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue, and as a result, you could lose a significant portion or all of your investment.

Prior to the Issue, there has not been a public market for the Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty in selling the Equity Shares that you purchased. The IPO price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the price you paid in the Issue.

46. **The market price of the Equity Shares may be adversely affected by any additional issuances of equity or sales of a large number of the Equity Shares by our Promoters.**

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of Equity Shares, whether through the exercise of options or otherwise, will dilute the position of existing shareholders and could adversely affect the market price of the Equity Shares.

EXTERNAL RISK FACTORS

1. **Our business could be adversely impacted by economic, political and social developments in India and particularly in the regional markets where we operate.**

Our performance and growth are dependent on the health of the Indian economy and in particular the economies of the regional markets we presently serve or propose to serve. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial condition and results of operations.

2. **Regulatory changes may adversely affect our performance or financial conditions.**

Regulatory changes relating to business segments in which we operate in India and overseas, can have a bearing on our business. Each state in India has different local taxes and levies which may include sales tax and octroi. Further, changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions.

3. **Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.**

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations governing the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investment in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

4. **Force majeure events, terrorist attacks or natural disaster or any other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect the Company's business, results of operations, financial conditions and cash flows.**

   Certain force majeure events, being beyond our Company's control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India, or other countries, may adversely affect worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of the Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the Equity Shares of our Company.

5. **Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and other factors.**

   The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable profits.

6. **You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on an Indian stock Exchange.**

   The Equity Shares are proposed to be listed on NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity shares can be listed and trading may commence. Investors' book entry or demat accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval of the stock exchanges, trading in the equity shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

NOTES TO RISK FACTORS

1. The Net worth of our Company as on September 30, 2007 is Rs. 222.67 Millions and the size of the Issue is Rs. 724.50 millions.

2. The average cost of acquisition of Equity shares (including issue of bonus shares) of the Promoters is as follows:

Name of Promoter	Total no. of Equity Shares	Average Cost of Acquisition (Rs.)
Mr. Venugopal Bang	2,706,600	1.49
Mr. Brijgopal Bang:	1,521,000	1.36

   The Book value per share as on March 31, 2007 is Rs. 13.98 per Equity Share and on September 30, 2007 is Rs. 22.13 per Equity Share.

3. Public issue is of 3,500,000 Equity Shares of Rs. 10 each for cash at a price of Rs. 207 per Equity Share aggregating to Rs. 724.50 millions including Employee Reservation of 100,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 207 per Equity Share aggregating to Rs. 20.70 millions (hereinafter referred to as "Employee Reservation Portion). The Issue less Employee Reservation Portion shall be 3,400,000 Equity Shares of Rs. 10/- each (hereinafter referred to as the "Net Issue" to public). The Issue will constitute 25.81% of the post-Issue paid up capital of our Company.

4. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

5. Our Company was incorporated as Bang Overseas Private Limited on 1st June, 1992 and was converted into a Public Limited Company on February 4, 2005.

6. For interest of our Promoters/Directors/Key Managerial Personnel and firms promoted by Promoters, please refer to section "Promoters" on page no. 89 of this Prospectus.

7. We have entered into transactions with related parties amounting to Rs. 103.57 millions as on September 30, 2007. For related party transaction refer to section titled "Related Party Transactions" beginning on page no. 98 of this Prospectus.

8. There are no sales or purchases between our Company and any other promoter group companies / firms / subsidiary company exceeding 10% of the sales or purchases of our Company, except sales as disclosed under "Related Party Transactions" appearing on page no. 98 of this Prospectus and as under:

(Rs. in millions)

Year/Period ended	**6 months period ended September 30, 2007**	**2006-07**	**2005-06**	**2004-05**	**2003-04**	**2002-03**
Gross Sales of our Company	542.17	718.68	387.31	168.85	123.11	115.62
Sales made by our Company to:	**-**					
Bang Data Forms Private Limited	-	0.02	-	0.11	-	-
Bodywave Fashion (India) Private Limited	-	24.24	10.76	-	1.53	4.85
Vedanta Creations Private Limited	-	-	0.11	22.32	17.02	58.78
M/s Ram Kumar Venugopal	-	20.93	23.21	7.76	6.54	0.90
Total	**-**	**45.19**	**34.08**	**30.19**	**25.09**	**64.53**
%age of total sales	-	6.29	8.80	17.88	20.38	55.81

9. No loans and advances have been made to any person(s) / Companies in which the Director(s) of the Company are interested except as stated in the restated audited financial statements. For details, please refer to section titled "Financial Statements of the Company" on page no. 103 of the Prospectus.

10. Any clarification or information relating to the Issue shall be made available by the BRLM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any matter whatsoever. Investor may contact the BRLM for any complaint pertaining to the Issue.

11. The Investors are advised to refer to the Para on "Basis for Issue Price" on page no. 38 of this Prospectus before making any investment in this Issue.

12. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.

13. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Companies.

14. There are no issue of shares other than cash except for the following:

Date	Number of Shares issued	Face Value (Rs.)	Issue Price (Rs.)	Consideration
March 28, 2005	2,000,000	10.00	-	Bonus Issue
November 03, 2006	751,740	10.00	10.00	Other than Cash - Swap
December 28, 2006	6,505,480	10.00	-	Bonus Issue

15. Except as disclosed below, we have not issued any Equity Shares less than the Issue price in the last one year:

Date	Number of Shares issued	Face Value (Rs.)	Issue Price (Rs.)	Consideration
January 22, 2007	41,780	10.00	125	Cash
June 25, 2007	200,000	10.00	125	Cash
July 13, 2007	60,000	10.00	125	Cash

16. Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of the Company during the past 6 months except 41,780 Equity Shares acquired by Bodywave Fashions (I) Pvt. Ltd. by way of fresh allotment made on January 22, 2007 at a price of Rs. 125/- per Equity Share.

SECTION III - INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information contained in the chapters titled "Risk Factors" and "Financial Statements" and related notes beginning on pages iii and 103 of this Prospectus before deciding to invest in our Equity Shares.

Industry Overview

Textiles exports contribute 16.63% to the country's total exports earnings, and India's share in the global textiles and apparel market is 3.9% and 3%, respectively. The textiles exports basket consists of readymade garments, cotton textiles, textiles made from man-made fibre, wool and woollen goods, silk, handicrafts, coir, and jute.

(Source: Ministry of textile Annual Report 2006-2007)

Apparel is the fashion segment, and much more - how people dress is a reflection of the economic, social and lifestyle changes taking place in society; and convincing people on how they ought to dress sets in motion a chain of socioeconomic processes that ultimately take the society a step higher on the development plan. The apparel industry, manufacturers, brands, retailers and marketers are, therefore, required to keep innovating on there products and services in anticipation of the fast- changing consumer preferences. Anticipation carries with it an element of risk and this makes it necessary for the industry to keep a track of major changes in apparel trends for consumer preferences and emergent opportunities. ***(Source: IMAGES Yearbook 2007 Volume IV No 1)***

India's domestic market for clothing, textiles and fashion accessories is currently worth Rs 113,500 crore, which is 9 per cent of the overall retail market (USD 270 billion) as per the India retail report 2007 estimates. Nearly 19 per cent of this market is organized. India's organized retail market is worth Rs 55,000 crore, and clothing, textiles and fashion accessories account for 39 per cent of this organized market. Only 13.6 per cent of this market was organized 2004, when it was valued at Rs 10,900 crore. ***(Source: IMAGES Yearbook Volume IV No 1)***

The clothing, textiles and fashion accessories market has registered a steady year-on-year growth of 10.7 per cent during the last two years. Of the total Rs 113,500-crore market size, menswear takes up the lion's share at Rs 36,740 crore (32 per cent) ***(Source: IMAGES Yearbook 2007 Volume IV No 1)***

Business Overview

We were incorporated in the year 1992 and are presently providing fashion fabrics and meeting ready to wear requirements of our customers in apparel, textile and retail segment.

We started our business from trading in textile and since 1998, we are conceptualising and designing fashion fabrics and outsourcing the manufacturing process of the same from countries like Turkey, Portugal, Mauritius and other European Countries. In the same year, we launched our seasonal fabric collections in textile under the name "Bodywaves", marketed through our own distribution channel to different brands and retailers.

We have ventured into ready-to-wear mens' segment in 2000 by outsourcing manufacturing process with our experience in designing fabrics and in turn selling to various international brands. We launched ready-to-wear mens' garnments under our brand name "Thomas Scott" in 2002. We started our own first apparels manufacturing unit in Bangalore in the year 2005 in the name of Reunion Clothing Company with an installed capacity of 350,000 pieces per annum and in the year 2006 we started our second manufacturing unit in the name of Formal Clothing Company with an installed capacity of 360,000 pieces per annum. At present we have installed capacity of 720,000 and 540,000 pieces per annum at our Reunion Clothing Company and Formal Clothing Company. Our products are presently retailed through 157 point of sales comprises of our own Retail outlets, Large format stores (LFS) like Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA and other Multi Brand Outlets (MBO) spread all over India. We cater to the demand of various other apparel manufacturer and brands.

We have centralised warehousing and logistic centre at Kalher Village near Bhiwandi to facilitate our supply chain management of our business.

Our Strengths:

Existing Brand

We have introduced "Thomas Scott" brand in the year 2002 with an objective of tapping the branded apparels for men's wear segment. At present, we are selling our brand through our Retail outlets, Large Format Stores (LFS) and Multi Brand Outlets (MBOs) across the country. "Thomas Scott" brand contributed Rs. 52.48 millions and Rs. 105.05 millions during 6 months period ended September 30, 2007 and FY 2006-07 respectively in the total garment sales of our Company aggregating to Rs. 223.74 millions and Rs. 356.59 millions. Out of this, domestic sales contributed 79.71% and exports contributed 20.29%. During FY 2006-07, domestic sales contributed 60.69% and exports contributed 39.31%.

Retail Outlets

We have our twelve Retail outlets including three franchise which are established under the brand name "Thomas Scott" Retail outlet. Our own Retail outlets with the same look and feel give us flexibility in displaying our merchandise. These Retail outlets are located at Mumbai, Navi Mumbai, Rajkot, Surat, Gurgaon, Bangalore (3 stores), Kolkata, Thane, New Delhi, and Ahmedabad.

In-house designing capabilities

We have a dedicated design team, responsible for the continuous development of new and innovative designs and fashion. We have installed Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) software in the year 2002 for quality textile designing. We understand fashion through ongoing learning process, visiting different fairs, and analysing trends and forecast reports and going through international magazines.

Existing Distribution network

We sell our fashion fabric through our in house marketing team and distributors on regular and ongoing basis to our various clients in garments segment. We market apparel products through Multi-Brand Outlets and Large Format Stores at different locations across India. We also sell our products through our own Retail outlets. The distribution system is supported by our logistics and warehousing system.

Information technology systems

Our office processes are computerized which support procurement, supply chain logistics, distribution centres management and store operations including inventory management and billing. Different functions of our Company are connected with each other through an Enterprise Resource Planning (ERP). Through integration with the web based ERP, there is no duplication of data entry at any level. With the help of integration of textile ERP, apparel ERP and retail application, our Company is able to track our daily sales style-wise at all of our Retail outlets, and also compare the stock positions at various locations.

Our Strategy:

Expansion of manufacturing facilities

We propose to expand our manufacturing capacities in garments by installing new manufacturing unit, which will help us cater to both men and women and in casual and formal categories apparel like shirts and trousers. We propose to establish the said facility at Bangalore with total installed capacity of 600,000 pieces per month.

Expansion of Retail outlets

We propose to expand our reach to the final consumer by increasing the network of our existing Retail outlets from 12 to additional 88 Retail outlets including franchisees spread all over India.

Expansion of Product range

We propose to expand into other categories like woman wear in casual and formal categories. We have applied for "Miss Scott" for registration as our brand for women's apparel. For details please refer to section titled "Government and Other Approvals appearing on page no. 144. We also propose to offer more lifestyle products under our own brands along with accessories namely sunglasses, belts, time wear, fashion jewellery and fragrances through these stores.

Strengthening our brand

We intend to position our brand in the market through communication and promotional initiatives such as advertisements in print media, hoardings, televisions, organizing events, participation in industry events, public relations and investor relations efforts. We have entered into an agreement with Mr. Manish Malhotra, fashion designer for advertisement, promotion, marketing and endorsement of our products. For details, please refer to paragraph "Brand Building Agreement" appearing on page no. 80 of the Prospectus.

Logistics and warehousing facilities

We propose to establish warehouses at various locations to facilitate efficient supply chain management for our Retail operations across India. We also intend to provide warehousing and logistic facilities for the retailers in fashion and lifestyle products. Warehousing and logistic facilities involve integration of information, inventory management, warehousing, material handling, packing and transportation.

THE ISSUE

Equity Shares offered:	3,500,000 Equity Shares
Out of Issue	
Employees Reservation Portion*	100,000 Equity Shares
Net Issue to Public	3,400,000 Equity Shares
QIB Portion including Mutual Funds	At least 1,700,000 Equity Shares constituting 50% of the Net Issue to the Public (Allocation on proportionate basis) out of which 5% i.e. 85,000 Equity Shares will be available for allocation to Mutual Funds and the remaining QIB portion will be available for allocation to QIBs, including Mutual Funds. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded.
Non Institutional Portion*	Not less than 510,000 Equity Shares constituting 15% of the Net Issue to the Public (Allocation on proportionate basis)
Retail Portion*	Not less than 1,190,000 Equity Shares constituting 35% of the Net Issue to the Public (Allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	10,060,000 Equity Shares
Equity shares outstanding after the Issue	13,560,000 Equity Shares
Objects to the Issue	Please see the section entitled "Objects of the Issue" on page no. 24 of this Prospectus.

* Under-subscription, if any, in the Non-Institutional Bidder, Retail Individual Bidder and Employee categories, would be allowed to be met from other categories or combination of categories, at the discretion of our Company in consultation with the BRLM.

SUMMARY FINANCIAL DATA

The following tables set forth summary financial information derived from our restated consolidated and unconsolidated financial statements as of and for the years ended March 31, 2007, 2006, 2005, 2004 and 2003 and the six months period ended September 30, 2007. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page no. 103 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the sections titled "Management's Discussion and Analysis of financial condition and results of financial operations" and "Business of our Company" appearing on page nos. 134 and 56 of this Prospectus. The summary financial information presented below as of and for the years ended March 31, 2003, 2004, 2005, 2006, 2007 and the six months period ended September 30, 2007 were derived from audited restated unconsolidated and consolidated financial statements of our Company, audited by Rajendra K. Gupta & Associates, Chartered Accountant, in accordance with Indian GAAP. The summary consolidated financial information presented below does not purport to project our results of operations or financial condition.

Consolidated statement of Assets and Liabilities as restated

(Rs. in millions)

AS AT	30.09.07	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Fixed Assets (A)						
Gross Block	147.99	130.92	81.30	8.23	5.45	4.10
Less: Accumulated Depreciation	19.54	14.57	6.80	3.16	2.32	1.86
Net Block	**128.45**	**116.35**	**74.50**	**5.07**	**3.13**	**2.24**
Investments (B)	**1.26**	**1.26**	**1.26**	**1.26**	**1.26**	**1.26**
Current Assets, Loans and Advances (C)						
Inventories	206.59	158.04	111.49	56.64	47.85	44.47
Sundry Debtors	410.80	262.15	81.60	31.60	28.39	18.99
Cash & Bank Balance	51.41	13.55	10.39	3.04	4.17	3.34
Loans & Advances	98.51	81.81	20.82	38.15	11.14	6.37
Total (C)	**767.31**	**515.55**	**224.30**	**129.43**	**91.55**	**73.17**
Total Assets (A)+(B)+(C)	**897.02**	**633.16**	**300.06**	**135.76**	**95.94**	**76.67**
Liabilities and Provisions (D)						
Secured Loans	152.07	118.69	63.69	13.56	8.63	8.28
Unsecured Loans	167.41	149.79	118.75	57.11	41.08	37.09
Deferred Tax Liabilities	11.85	9.31	3.28	0.32	0.23	0.16
Current Liabilities & Provisions	279.37	167.89	48.95	21.10	23.14	11.28
Total (D)	**610.70**	**445.68**	**234.67**	**92.09**	**73.08**	**56.81**
Net Worth (A+B+C-D)	**286.32**	**187.48**	**65.39**	**43.67**	**22.86**	**19.86**
Represented by (E)						
1. Share Capital	100.60	98.00	25.01	25.00	2.81	2.80
2. Reserves & Surplus	199.14	98.86	40.38	18.67	20.05	17.06
Total (E)	**299.74**	**196.86**	**65.39**	**43.67**	**22.86**	**19.86**
Less: Miscellaneous Expenditure	(13.42)	(9.38)	-	-	-	-
Net Worth	**286.32**	**187.48**	**65.39**	**43.67**	**22.86**	**19.86**

Statement of Consolidated Profits & Losses as restated

(Rs. In millions)

Year/Period ended	30.09.07	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Income						
Sales						
Of the products manufactured by Company	223.74	356.86	151.42	52.17	20.14	12.78
Of the products traded by Company	439.52	609.36	235.89	116.68	102.97	102.84
Total Sales	**663.26**	**966.22**	**387.31**	**168.85**	**123.11**	**115.62**
Other Income	15.56	14.39	4.74	1.42	0.81	0.82
Increase/(Decrease) in Inventories	(28.22)	15.68	54.84	8.79	3.38	(18.34)
Total Income	**650.60**	**996.29**	**446.89**	**179.06**	**127.30**	**98.10**
Expenditure						
Cost of Material	423.31	690.42	309.49	124.13	93.81	77.98
Manufacturing Expenses	62.76	63.34	52.86	19.78	12.18	6.08
Administrative Expenses	36.31	41.16	32.03	13.85	9.82	6.46
Interest and Financial Charges	18.78	27.91	16.29	7.46	6.34	6.60
Depreciation/Amortisation	6.01	8.96	3.64	0.84	0.46	0.40
Total Expenditure	**547.18**	**831.79**	**414.32**	**166.07**	**122.60**	**97.52**
Profit before Tax and extra ordinary items	**103.42**	**164.50**	**32.57**	**12.99**	**4.70**	**0.58**
Provision for Taxation						
- Current Tax	30.15	50.50	7.70	5.20	1.60	0.20
- Fringe Benefit Tax	0.35	0.56	0.41	-	-	-
- Less/ (Add) Deferred Tax	2.54	6.01	2.96	0.10	0.06	0.04
- Less/ (Add) Prior period items - Income Tax	-	0.64	0.35	(0.03)	-	0.25
Profit after Tax before Extra ordinary items	**70.38**	**106.79**	**21.15**	**7.72**	**3.04**	**0.09**
Add/(Less) Adjustment of Prior period items - Income Tax	-	0.64	0.35	(0.25)	(0.12)	0.25
Profit after Tax before Extra ordinary items	70.38	107.43	21.50	7.47	2.92	0.34
Add/(Less): Extra ordinary items	-	1.25	-	-	-	-
Profit after Tax and extra ordinary items As restated	**70.38**	**108.68**	**21.50**	**7.47**	**2.92**	**0.34**

Note: Figures in bracket denote negative numbers.

Unconsolidated Statement of Assets and Liabilities as restated

(Rs. In millions)

As at	30.09.07	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Fixed Assets (A)						
Gross Block	144.89	127.90*	81.30*	8.23	5.45	4.10
Less : Accumulated Depreciation	18.06	13.31	6.80	3.16	2.32	1.86
Net Block	**126.83**	**114.59**	**74.50**	**5.07**	**3.13**	**2.24**
Investments (B)	**8.78**	**8.78**	**1.26**	**1.26**	**1.26**	**1.26**
Current Assets, Loans & Advances (C)						
Inventories	180.22	126.70	111.49	56.64	47.85	44.47
Sundry Debtors	332.62**	176.75**	81.60	31.60	28.39	18.99
Cash & Bank Balance	41.91	11.34	10.39	3.04	4.17	3.34
Loans & Advances	83.55	70.30	20.82	38.15	11.14	6.37
Total (C)	**638.30**	**385.09**	**224.30**	**129.43**	**91.55**	**73.17**
Total Assets (A)+(B)+(C)	**773.91**	**508.46**	**300.06**	**135.76**	**95.94**	**76.67**
Liabilities and Provisions (D)						
Secured Loans	144.41	108.44	63.69	13.56	8.63	8.28
Unsecured Loans	155.14	137.01	118.75	57.11	41.08	37.09
Deferred Tax Liabilities	11.86	9.29	3.28	0.32	0.23	0.16
Current Liabilities & Provisions	239.83	116.67	48.95	21.10	23.14	11.28
Total (D)	**551.24**	**371.41**	**234.67**	**92.09**	**73.08**	**56.81**
Net Worth (A+B+C-D)	**222.67**	**137.05**	**65.39**	**43.67**	**22.86**	**19.86**
Represented by (E)						
1. Share Capital	100.60	98.00	25.01	25.00	2.81	2.80
2. Reserves & Surplus	135.49	48.43	40.38	18.67	20.05	17.06
Total (E)	**236.09**	**146.43**	**65.39**	**43.67**	**22.86**	**19.86**
Less: Miscellaneous Expenditure	(13.42)	(9.38)	-	-	-	-
Net Worth	**222.67**	**137.05**	**65.39**	**43.67**	**22.86**	**19.86**

Note: Figures in bracket denote negative numbers.

**** Increase in Gross Block is mainly on account of setting up manufacturing units.***

***** Increase in Debtor during the period is mainly on account of increased seasoned sale.***

Unconsolidated Statement of Profit & Loss as restated

(Rs. In millions)

For the year/period ended	30.09.07	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Income						
Sales :						
Of the products manufactured by Company	223.74	356.59	151.42	52.17	20.14	12.78
Of the products traded by Company	318.43	362.09	235.89	116.68	102.97	102.84
Total Sales	542.17	718.68*	387.31	168.85	123.11	115.62
Other Income	15.52	14.09	4.74	1.42	0.81	0.82
Increase/(Decrease) in Inventories	(23.25)	5.04	54.84	8.79	3.38	(18.34)
Total Income	**534.44**	**737.81**	**446.89**	**179.06**	**127.30**	**98.10**
Expenditure						
Cost of Material	334.18	504.50	309.49	124.13	93.81	77.98
Manufacturing Expenses	62.76	63.34	52.86	19.78	12.18	6.08
Administrative Expenses	31.01	30.80	32.03	13.85	9.82	6.46
Interest and Finance Charges	17.37	25.46	16.29	7.46	6.34	6.60
Depreciation/ Amortization	5.78	8.58	3.64	0.84	0.46	0.40
Total Expenditure	**451.10**	**632.68**	**414.32**	**166.07**	**122.60**	**97.52**
Profit before Tax and extra ordinary items	**83.34**	**105.13**	**32.57**	**12.99**	**4.70**	**0.58**
Provision for Taxation						
- Current Tax	23.30	30.00	7.70	5.20	1.60	0.20
- Fringe Benefit Tax	0.30	0.50	0.41	-	-	-
- Less/ (Add) Deferred Tax	2.57	6.00	2.96	0.10	0.06	0.04
- Prior period items - Income Tax	-	0.22	0.35	(0.03)	-	0.25
Profit after tax as before extra ordinary items	**57.17**	**68.41**	**21.15**	**7.72**	**3.04**	**0.09**
Add/(Less) Adjustment of Prior period items - Income Tax	-	0.22	0.35	(0.25)	(0.12)	0.25
Profit after Tax before extraordinary items	**57.17**	**68.63**	**21.50**	**7.47**	**2.92**	**0.34**
Extra-ordinary items	-	-	-	-	-	-
Profit after Tax and extra ordinary item, as restated	**57.17**	**68.63**	**21.50**	**7.47**	**2.92**	**0.34**

Note: Figures in bracket denote negative numbers.

** Increase in total sales is mainly on account of increase in apparel business as we have set up manufacturing units in Bangalore.*

GENERAL INFORMATION

Bang Overseas Limited

Originally incorporated as Bang Overseas Private Limited on June 1, 1992 and it was converted into a Public Limited Company on February 4, 2005.

Registered Office of the Company:
Masjid Manor, IInd Floor, 16, Homi Modi Street,
Fort, Mumbai - 400 023, India.
Tel. No: +91-22-2204 3496, 2283 4991
Fax. No. +91-22-2281 0379

Corporate Office of the Company:
144, Kewal Industrial Estate,
Ist Floor, Senapati Bapat Marg,
Lower Parel (W), Mumbai -400 013, India.
Tel.: +91-22-5660 7965
Fax: +91-22-5660 7970

Registration Number of the Company: 067013
CIN: U51900MH1992PLC067013

Address of the Registrar of Companies
The Registrar of Companies
100, Everest, Marine Lines, Mumbai - 400002.

Board of Directors

Name of Director	Designation	Nature of Directorships
Mr. Venugopal Bang	Chairman	Non Executive Non-independent Director
Mr. Brijgopal Bang	Managing Director	Executive Director
Dr. M.K. Sinha	Director	Independent Director
Mr. Viswanath Cheruvu	Director	Independent Director
Mr. V.D. Ajgaonkar	Director	Independent Director

For further details of our Board of Directors, see "Our Management" on page no. 81 of this Prospectus.

Compliance Officer
Mr. Jaydas Dighe
Vice President (Finance)
144, Kewal Industrial Estate, Ist Floor, Senapati Bapat Marg,
Lower Parel (W), Mumbai -400 013, India.
Tel.: +91-22-5660 7965
Fax: +91-22-5660 7970
Email: dighe@banggroup.com

Investors can contact the Compliance Officer in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in respective beneficiary account / refund orders, etc.

Company Secretary
Mr. Anuj Tiwari
144, Kewal Industrial Estate, Ist Floor, Senapati Bapat Marg,
Lower Parel (W), Mumbai -400 013, India.
Tel.: +91-22-5660 7965; Fax: +91-22-5660 7970
Email: bol@banggroup.com

BOOK RUNNING LEAD MANAGER
Almondz Global Securities Limited
33, Vaswani Mansion, 6th Floor
Dinshaw Vachha Road, Churchgate, Mumbai-400020
Tel: +91-22-2287 0580
Fax: +91-22-2287 0581
Email: bang.ipo@almondz.com
Website: www.almondz.com
Contact Person: Mr. Sunit Shangle

SYNDICATE MEMBER
Almondz Global Securities Limited
33, Vaswani Mansion, 6th Floor
Dinshaw Vachha Road, Churchgate, Mumbai-400020
Tel: +91-22-2287 0580
Fax: +91-22-2287 0581
Email: bang.ipo@almondz.com
Website: www.almondz.com
Contact Person: Mr. Surindra Tare

REGISTRAR TO THE ISSUE
Karvy Computershare Private Limited
Plot No. 17-24, Vithal Rao Nagar, Madhapur,
Hyderabad 500 081
Tel: +91-40-2343 1553
Fax: +91-40-2331 1551
E-mail: bang.ipo@karvy.com
Website: www.karvy.com
Contact Person: Mr. Murli Mohan

LEGAL ADVISORS TO THE ISSUE
Rajani Associates
Advocates and Solicitors
F - 4, Panchsheel,
53, 'C' Road, Churchgate, Mumbai 400020
Tel: +91-22-22021010
Fax: +91-22-22021011
Email: prem@rajaniassociates.net
Contact Person: Mr. Prem Rajani

BANKERS TO THE COMPANY
ING Vysya Bank
Mittal Tower, A Wing, Ground Floor,
Nariman Point, Mumbai - 400 021
Tel: +91-22-22819484/22843827
Fax: +91-22-22870687
Email: manjunathgs@ingvysyabank.com
Contact Person : G.S.Manjunath

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

ICICI Bank Limited
Capital Markets Division, 30, Mumbai Samachar Marg,
Mumbai - 400 001
Phone: +91 22 22627600, Fax: +91 22 2261 1138
Email: sidharth.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Sidhartha Sankar Routray

Standard Chartered Bank
270, D.N. Road, Fort, Mumbai
Tel: +91 22 22683965; Fax: +91 22 22092213
Email: Rajesh.Malwade@in.standardchartered.com
Website: www.standardchartered.co.in
Contact Person: Mr. Rajesh Malwade

The Hongkong and Shanghai Banking Corporation Limited
HSBC, 52/60, M.G. Road, Fort,
Mumbai - 400 001
Tel: +91 22 22685352; Fax: +91 22 66536002
Email: suyogmhatre@hsbc.co.in
Contact Person: Mr. Suyog Mhatre

Kotak Mahindra Bank Limited
158, CST Road, Dani Corporate Park,
4th Floor, Kalina, Santacruz (East)
Mumbai- 400 098
Tel: +91 22 67594850; Fax: +91 22 66482710
Email: ibrahim.sharief@kotak.com / mahesh.shekdar@kotak.com
Contact Person: Mr. Ibrahim Sharief / Mahesh Shekdar

STATUTORY AUDITORS
M/s. Rajendra K. Gupta & Associates
Chartered Accountants
M/s Rajendra K. Gupta & Associates
Room No.3, Kshipra Society,
Akruli Cross Road No. 1,
Kandivali (E), Mumbai - 400 101
Tel.No.+91-22-2887 4879
Fax No.+91-22- 2887 1409
Email: rkgupta-im@eth.net
Contact Person : Mr. R.K.Gupta

Financial Advisor to the Company
Sunlife Financial Services Private Limited
319, Tulsiani Chambers, Nariman Point,
Mumbai - 400 021
Tel No. +91-22-22815154
Fax No. +91-22-2281 4872
Email: chaturvedi4@gmail.com
Contact Person : Mr. Madan Chaturvedi

Monitoring Agency

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI (DIP) Guidelines, 2000. We have therefore not appointed any monitoring agency for the purpose of monitoring the utilization of issue proceeds.

IPO Grading

The Issue has been graded by CARE. CARE has assigned vide their letter dated September 4, 2007 "CARE IPO Grade 2" (Grade Two indicates below average fundamentals) to the Initial Public Offering of the Company.

Rationale for IPO Grading by Grading Agency

CARE has assigned a 'CARE IPO Grade 2' to the proposed Initial Public Offer of Bang Overseas Limited (BOL). 'CARE IPO Grade 2' indicates below average fundamentals. CARE assigns IPO grades on a scale Grade 5 to Grade 1, with grade 5 indicating strong fundamentals and Grade 1 indicating, poor fundamentals. CARE IPO Grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the fundamentals of the Issuer.

The grading draws strength from the good track record of the promoters, successful operation of the textile business, growth in revenues as exhibited in the past two years, the brand strength of its clientele and growth prospectus of the branded garments industry. The grading also draws strength from the recent diversification of BOL's operations from textile to garment manufacturing.

The rating is, however, constrained by BOL's small size of operations, order dependent and seasonal nature of business, recent compliance of corporate governance practices, significant portion of operations coming from textile division (trading activity), present focus only on one segment of men's apparel, fairly new and lesser known brand and fragmented and highly competitive apparel industry in which the company operates. The grading is also constrained by risks associated with proposed deployment of funds from the IPO in setting up new manufacturing unit and brand building exercise.

For complete details of Report of the Grading Agency, please refer to "Annexures" beginning on page no. 202 of this Prospectus.

Disclaimer of CARE for IPO Grading

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as the information obtained from the sources believed by CARE to be accurate and reliable. However, CARE, does not gurantee the accuracy, adequacy and completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/ securities. It is also not a comment on the offer price or the listed price of the script. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earning prospects of the issuer; also it does not indicate compliance/ violations of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Credit Rating

This being an Issue of Equity Shares, Credit rating is not required.

Trustee

This being an Issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building, refers to the process of collection of Bids from investors, on the basis of the Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date / Issue Closing Date.

The principal parties involved in the Book Building Process are:

➔ The Company;

➔ Book Running Lead Managers;

- ➔ Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and are eligible to act as Underwriters. Syndicate Members are appointed by the BRLMs;
- ➔ Escrow Collection Bank(s); and
- ➔ Registrar to the Issue.

This Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Though the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

The Company shall comply with guidelines issued by SEBI for this Issue. In this regard, the Company has appointed Book Running Lead Managers to manage the issue and to procure subscription to the Issue.

QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs are now required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs will be on a proportionate basis. Please refer to the section titled "Issue Procedure" appearing on page no. 157 of this Prospectus for more details.

Steps to be taken by the Bidder for bidding:

- ➔ Check eligibility for making a bid, see the section titled "Issue Procedure-Who Can Bid?" on page no.157 of this Prospectus;
- ➔ Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form
- ➔ Ensure that the Bid cum Application Form is duly completed as per instructions given in this Prospectus and in the Bid cum Application Form and
- ➔ Ensure that the Bid - Cum - Application Form is accompanied by the Permanent Account Number or by Form 60 or Form 61 as may be applicable. For details please refer to the section titled "Issue Procedure" beginning on page 157 of this Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of Permanent Account Number as the Bid is liable to be rejected on those grounds.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to this Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 30 to Rs. 34 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	34	500	16.67%
1000	33	1500	50.00%
1500	32	3000	100.00%
2000	31	5000	166.67%
2500	30	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 32 in the above example. The issuer, in consultation with the Book Running Lead Managers, will finalize the issue price at or below such cut off price, i.e., at or below Rs. 32. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfil their underwriting obligations.

The Underwriter have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. millions)
Almondz Global Securities Limited 33, Vaswani Mansion, 6th Floor Dinshaw Vachha Road Churchgate, Mumbai-400020 Tel: +91-22-2287 0580 Fax: +91-22-2287 0581 Email: bang.ipo@almondz.com Website: www.almondz.com	3,500,000	724.50
TOTAL	**3,500,000**	**724.50**

The above Underwriting Agreement is dated February 1, 2008.

In the opinion of the Board of Directors & the BRLM (based on certificates given to them by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriter are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s). The above underwriting agreement has been accepted by the Board of Directors at the meeting held on February 1, 2008 and the Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of this Prospectus with SEBI is set forth below:

(Rs. In millions)

	Particulars		Aggregate Nominal Value	Aggregate value at Issue Price
A.	**Authorized Capital**			
	16,000,000	Equity Shares of Rs. 10/- each	160.00	
B.	**Issued, Subscribed and Paid-up Capital**			
	10,060,000	Equity Shares of Rs. 10/- each	100.60	
C.	**Present Issue to the Public in terms of this Prospectus**			
	3,500,000	Equity shares of Rs. 10/- each fully paid up	35.00	724.50
D.	**Employee Reservation Portion**			
	100,000	Equity shares of Rs. 10/- each fully paid up	1.00	20.70
E.	**Net Issue to Public**			
	3,400,000	Equity shares of Rs. 10/- each fully paid up	34.00	703.80
F.	**Paid up Capital after the Issue**			
	13,560,000	Equity Shares of Rs. 10/- each	135.60	
G.	**Share Premium Account**			
		Before the issue	34.79	
		After the issue	724.29	

Details of increase of the Authorised Capital of our company

S. No	Date	Increased From (Rs.)	Increased To (Rs.)	Remarks
1.	June 01, 1992	-	500,000	On Incorporation 50,000 Equity Shares of Rs. 10/- each
2.	January 20,1997	500,000	1,500,000	Increased from Rs. 0.5 million divided into 50,000 equity shares of Rs. 10 each to Rs. 1.5 million divided into 150,000 equity shares of Rs. 10 each.
3.	January 17, 2000	1,500,000	5,000,000	Increased from Rs. 1.5 million divided into 150,000 equity shares of Rs. 10 each to Rs. 5.0 million divided into 500,000 equity shares of Rs. 10 each.
4.	March 22, 2005	5,000,000	50,000,000	Increased from Rs. 5.0 million divided into 500,000 equity shares of Rs. 10 each to Rs. 50.0 million divided into 5,000,000 equity shares of Rs. 10 each.
5.	December 20, 2006	50,000,000	160,000,000	Increased from Rs. 50.0 million divided into 5,000,000 equity shares of Rs. 10 each to Rs. 160.0 million divided into 16,000,000 equity shares of Rs. 10 each.

NOTES TO CAPITAL STRUCTURE

1. Capital Build up (Equity Share capital history of our Company):

(In Rs.)

Date of Allotment / Fully Paidup	No. of Equity Shares	Face Value	Issue Price	Consideration	Nature of Allotment (rights, bonus, etc.)	Cumulative Securities Premium Account	Cumulative No. of Equity Shares	Cumulative Paid-up Capital
June 01, 1992	200	10	10	Cash	Subscribers to the Memorandum	Nil	200	2,000
March 31,1993	7,500	10	10	Cash	Further issue of equity shares	Nil	7,700	77,000
March 31,1995	17,000	10	10	Cash	Further issue of equity shares	Nil	24,700	247,000
June 29, 1995	17,500	10	10	Cash	Further issue of equity shares	Nil	42,200	422,000
March 25,1998	107,800	10	10	Cash	Further issue of equity shares	Nil	150,000	1,500,000
March 31, 2000	100,000	10	10	Cash	Further issue of equity shares	Nil	250,000	2,500,000
December 20, 2000	25,000	10	60	Cash	Further issue of equity shares	1,250,000	275,000	2,775,000
February 15,2002	5,000	10	60	Cash	Further issue of equity shares	1,500,000	280,000	2,800,000
March 26, 2004	1,500	10	60	Cash	Further issue of equity shares	1,575,000	281,500	2,815,000
February 15, 2005	218,500	10	60	Cash	Further issue of equity shares	12,500,000	500,000	5,000,000
March 28, 2005	2,000,000	10	Nil	Bonus	Issue of Bonus shares in the ratio of 4:1	Nil**	2,500,000	25,000,000
March 25, 2006	1,000	10	100	Cash	Further issue of equity shares	90,000	2,501,000	25,010,000
November 03, 2006	751,740*	10	10	Other than Cash	Issue of shares in consideration of Shares of Subsidiary	90,000	3,252,740	32,527,400
December 28, 2006	6,505,480	10	Nil	Bonus	Issue of Bonus shares in the ratio of 2:1	90,000	9,758,220	9,758,2200
January 22, 2007	41,780	10	125	Cash	Further issue of equity shares	4,894,700	9,800,000	98,000,000
June 25, 2007	200,000	10	125	Cash	Further issue of equity shares	27,894,700	10,000,000	100,000,000
July 13, 2007	60,000	10	125	Cash	Further issue of equity shares	34,794,700	10,060,000	100,600,000

*** 751740 Equity Shares with the face value of Rs 10 each were issued other than cash in consideration of acquisition of shares of Vedanta Creations Private Limited having a face value of Rs 10 each.**

**** Share premium amount together with balance in reserves & surplus has been utilized for purpose of issue of bonus shares.**

2. **Details of promoters contribution and lock in**

(a) **Built up of Promoters**

Name	Date of Allotment / Transfer / Acquisition	Date when made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acqui- sition Price	% of Post issue Paid up Capital	Lock- in Period (Years)
Mr. Venugopal Bang	June 01, 1992	June 01, 1992	Cash	100	10	10		1 year
	March 31,1993	March 31,1993	Cash	4,000	10	10		1 year
	March 31,1995	March 31,1995	Cash	5,500	10	10		1 year
	March 25,1998	March 25,1998	Cash	65,400	10	10		1 year
	March 31, 2000	March 31, 2000	Cash	50,000	10	10		1 year
	March 31, 2000	March 31, 2000	Cash	50,000	10	10		Nil
	March 10, 2005	-	Transfer	(50,000)	10	10		Nil
	March 28, 2005	March 28, 2005	Bonus	500,000	10	-		3 years
	November 03, 2006	November 03, 2006	Swap	277,200	10	10		1 year
	December 28, 2006	December 28, 2006	Bonus	1,250,000	10	-		3 years
			Bonus	554,400	10	-		1 year
		TOTAL		**2,706,600**			**19.96%**	
Mr. Brijgopal Bang	June 01, 1992	June 01, 1992	Cash	100	10	10		1 year
	March 31,1993	March 31,1993	Cash	3,500	10	10		1 year
	March 31,1995	March 31,1995	Cash	11,500	10	10		1 year
	June 29,1995	June 29,1995	Cash	17,500	10	10		1 year
	March 25,1998	March 31, 2000	Cash	42,400	10	10		1 year
	March 28, 2005	March 28, 2005	Bonus	300,000	10	-		3 years
	November 03, 2006	November 03, 2006	Swap	132,000	10	10		1 year
	December 28, 2006	December 28, 2006	Bonus	750,000	10	-		3 years
			Bonus	264,000	10	-		1 year
		TOTAL		**1,521,000**			**11.22%**	

(b) **Lock-in of Minimum Promoter's Contribution**

Pursuant to the SEBI Guidelines, an aggregate of 20% of the shareholding of the Company's Promoters shall be locked in for a period of three years from the date of allotment in the Issue. The lock-in details are as under:

Sr. No	Name of Promoter	No. of Shares	Face Value (Rs.)	% of post issue paid up capital	Lock-in Period
1.	Mr. Venugopal Bang	1,750,000	10	12.90%	3 years
2.	Mr. Brijgopal Bang	1,050,000	10	7.74%	3 years
	Total	**2,800,000**	**10**	**20.64%**	**3 years**

i. The Equity Shares to be locked-in for a period of three years have been computed as 20.64% of Equity Share Capital after the Issue.

ii. The Promoters have vide their letter dated July 14, 2007 given their consent for lock in of shares as stated above. Equity Shares issued last shall be locked in first. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the issue, whichever is later.

iii. In addition to above, the entire remaining pre-Issue Equity Capital of the Company i.e. 7,260,000 equity shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue constituting 53.54% of the post issue equity share capital of the Company.

iv. In terms of clause 4.15.1 of the SEBI (DIP) Guidelines, locked in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan. Provided that securities locked in as minimum promoters' contribution under Clause 4.15.1 of SEBI (DIP) Guidelines, the same may be pledged only if, in addition to fulfilling the abore requirement, the loan has been granted by such banks or financial institution for the purpose of financing one or more of the objects of the Issue.

v. In terms of clause 4.16.1 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and amongst the Promoters / Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover Regulations), 1997 as applicable. Further, in terms of clause 4.16.1 (a) of the SEBI (DIP) Guidelines, locked in Equity Shares held by shareholders other than the Promoters may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

vi. The Equity Shares forming part of promoter's contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary. Further, shares considered for promoter's contribution have not been acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from bonus issue out of revaluation reserves or reserves created without accrual of cash resources or against shares which are otherwise ineligible for computation of promoters' contribution. Also, promoter's contribution does not include any shares acquired during last one year at a price lower than the issue price.

3. None of the Equity Shares held by Promoters and considered for the purpose of promoter's contribution are pledged with any bank or financial institution.

4. There is no "buyback" or "standby" arrangement for purchase of Equity Shares by the Company, its Directors, its Promoters, or the BRLMs for the Equity Shares offered through this Prospectus.

5. Our Company has not issued any equity shares for consideration other than cash except for bonus issue and shares issued in consideration of shares of Vedanta Creations Pvt. Ltd. as set out in "Capital Structure- Notes forming part of the Capital Structure-Equity Share Capital history of the company".

6. An over-subscription to the extent of 10% of Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue to Public, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.

7. As on date of filing of this Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.

8. The Equity Shares offered through this public issue shall be made fully paid up and the unpaid equity shares may be forfeited within 12 months from the date of allotment of shares in the manner specified as per clause 8.6.2 of the SEBI (Disclosure and Investor Protection) Guidelines.

9. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on "Basis of Allocation" on page no. 176 of this Prospectus.

10. (a) Details of top ten shareholders of the Company on the date of filing this Prospectus with SEBI are as follows:

S. No.	Name of the shareholder	No. of Equity Shares	% of Shareholding
1	Venugopal Bang	2,706,600	26.90
2	Brijgopal Bang	1,521,000	15.12
3	Ramanujdas Bang	774,600	7.70
4	Rangnath Bang	654,600	6.51
5	Ramkumar Bang	654,600	6.51
6	Krishna Kumar Bang	647,100	6.43
7	Narayandas Bang	647,100	6.43
8	Vardharaj Bang	339,600	3.38
9	Saraswatidevi Bang	307,500	3.05
10	Vasudev Bang	300,000	2.98

(b) Details of top ten shareholders as on ten days prior to filing this Prospectus with SEBI are as follows:

S. No.	Name of the shareholder	No. of Equity Shares	% of Shareholding
1	Venugopal Bang	2,706,600	27.07
2	Brijgopal Bang	1,521,000	15.21
3	Ramanujdas Bang	774,600	7.75
4	Rangnath Bang	654,600	6.55
5	Ramkumar Bang	654,600	6.55
6	Krishna Kumar Bang	647,100	6.47
7	Narayandas Bang	647,100	6.47
8	Vardharaj Bang	339,600	3.40
9	Saraswatidevi Bang	307,500	3.08
10	Vasudev Bang	300,000	3.00

(c) Details of top ten shareholders as of two years prior to filing this Prospectus with SEBI were as follows:

S. No.	Name of the shareholder	No. of Equity Shares	% of Shareholding
1.	Venugopal Bang	625,000	25.00
2.	Brijgopal Bang	375,000	15.00
3.	Ramanujdas Bang	245,000	9.80
4.	Rangnath Bang	205,000	8.20
5.	Ramkumar Bang	205,000	8.20
6.	Krishna Kumar Bang	202,500	8.10
7.	Narayandas Bang	202,500	8.10
8.	Saraswatidevi Bang	102,500	4.10
9.	Vardharaj Bang	100,000	4.00
10.	Vasudev Bang	100,000	4.00

The above shareholders do not hold any shares, which they would be entitled to upon exercise of warrant, option, rights to convert a debenture, loan or other instrument.

11. (a) Details of Pre-Issue shareholding of the Promoter / Promoter Group as on date are as follows:

S. No.	Name	No. of Shares	% of total Pre-Issue Shareholding
(A)	**Promoters**		
1	Venugopal Bang	2706600	26.90
2	Brijgopal Bang	1521000	15.12
	Sub - Total (A)	**4227600**	**42.02%**
(B)	**Promoter group**		
1	Ramanujdas Bang	774600	7.70
2	Rangnath Bang	654600	6.51
3	Ramkumar Bang	654600	6.51
4	Krishnakumar Bang	647100	6.43
5	Narayandas Bang	647100	6.43
6	Varadhraj Bang	339600	3.38
7	Saraswatidevi Bang	307500	3.06
8	Vasudev Bang	300000	2.98
9	Balaram Bang	54600	0.54
10	Laxminivas Bang	54600	0.54
11	Sampatkumar Bang	54600	0.54
12	Girdhargopal Bang	47100	0.47
13	Rajgopal Bang	47100	0.47
14	Bodywave Fashions (I) Private Limited	41780	0.41
15	Shridhar Bang	41100	0.41
16	Nandgopal Bang	39600	0.39
17	Purushottam Bang	39600	0.39
18	Sharad Kumar Bang	39600	0.39
19	Raghavendra Bang	39600	0.39
20	Arvindkumar Bang	39600	0.39
21	Madhusudan Bang	39600	0.39
22	Kamalnayan Bang	39600	0.39
23	Kantadevi Bang	7500	0.08
24	Parwatidevi Bang	7500	0.08
25	Pushpadevi R. Bang	7500	0.08
26	Radhadevi Bang	7500	0.08
27	Rekha Bang	7500	0.08
28	Shobha Bang	7500	0.08
29	Taradevi Bang	7500	0.08
30	Harshwardhan Bang	3960	0.04
31	Pushpadevi L. Bang	1500	0.01
	Sub - Total (B)	**5,001,140**	**49.72%**
	Total (A)+(B)	**9,228,740**	**91.74%**

11. (b) The details of other shareholders in our Company which are not related to Promoter / Promoter Group as on the date of filing of this Prospectus:

Sr. No.	Shareholder's Name	No. of Shares held	% of Shareholding
1	Dreamland Buildtech Private Limited	200000	1.99%
2	Jodhraj	79996	0.79%
3	A CEE Enterprises	60000	0.60%
4	Narayandas Maru	50000	0.50%
5	Rita Paresh Shah	50000	0.50%
6	Paresh Champaklal Shah	48000	0.48%
7	Ramkishore Sarda	43560	0.43%
8	Falguni N. Shah & Nikesh K. Shah	25000	0.25%
9	Jagdish H Chaudhary	20000	0.20%
10	Kalpesh H Chaudhary	20000	0.20%
11	Deep Gupta	20000	0.20%
12	Alpa Patel	12000	0.12%
13	Rohit B. Patel	12000	0.12%
14	Saroj Rohit Patel	12000	0.12%
15	Tejal Patel	12000	0.12%
16	Pankaj Chhabra	15000	0.15%
17	Poonam Chhabra	15000	0.15%
18	Kalpana S Attal	15000	0.15%
19	Naveen Kumar Chaudhary	13500	0.13%
20	Madan Chaturvedi	10000	0.10%
21	Sangeeta Sadani & Krishna Kumar Sadani	10000	0.10%
22	Haresh Savlani	7500	0.07%
23	Rajesh T Israni	7000	0.07%
24	Bhagwandas Sarda	6000	0.06%
25	Ajay Agarwal	5000	0.05%
26	Bharat Champaklal Shah	5000	0.05%
27	Pradip Champaklal Shah	5000	0.05%
28	Pushpa Sushil Khater	5000	0.05%
29	Kiran Nenmal Jain	5000	0.05%
30	Manohar G Mulchandani	5000	0.05%
31	Arjun J Balani	3500	0.03%
32	Jagdish Singh Satnam	5000	0.05%
33	Anup Lalit Dawda	5000	0.05%
34	Rajesh Navratanmal Mehta	5000	0.05%
35	Meena Kirit Mehta	2000	0.02%
36	Princeton Corporate Services Private Ltd.	1200	0.01%
37	Devang H. Parekh	1000	0.01%

Sr. No.	Shareholder's Name	No. of Shares held	% of Shareholding
38	Manoj N. Barot	1000	0.01%
39	Prashant S Suryavanshi	1000	0.01%
40	Vilas T Dighe	1000	0.01%
41	Suman D Sarda	1000	0.01%
42	Seema Ratnakar Malvankar	1000	0.01%
43	Simran D. Aggarwal	1000	0.01%
44	Chandrika Menon	1000	0.01%
45	Manju Khanna	1000	0.01%
46	Mary Sasi Kala	1000	0.01%
47	Harshadrai M. Parekh	1000	0.01%
48	Pralika S Sandbhor	1000	0.01%
49	Sanjay Kumar Shukla	1000	0.01%
50	Kamal N. Dhoot	1000	0.01%
51	Tulsiram Rinwa	1000	0.01%
52	Pushpa Bhatter	500	Negligible
53	Subrata Kumar Dey HUF	500	Negligible
54	Gulshan Vijan	1	Neglibile
55	Rajrani G Vijan	1	Neglibile
56	Sheetal Sanjay Vijan	1	Neglibile
57	Sanjay Gulshan Vijan	1	Neglibile
	Pre-issue Capital of "Others"	**831260**	**8.26%**

12. **Pre-Issue and Post-Issue Shareholding of our Company**

Particulars	Pre-Issue		Post -Issue	
	No. of Equity Shares	% to the present share capital	No. of Equity Shares	% of post issue Share Capital
Promoter / Core Promoter	4,227,600	42.02%	4,227,600	31.18%
Promoter Group	5,001,140	49.72%	5,001,140	36.88%
Total Promoter and Promoter Group	**9,228,740**	**91.74%**	**9,228,740**	**68.06%**
Others	831,260	8.26%	831,260	6.13%
Public	Nil	Nil	3,500,000	25.81%
Total	**10,060,000**	**100.00%**	**13,560,000**	**100.00%**

13. As on the date of this Prospectus, there are no outstanding warrants, options or rights to convert debenture, loans or other financial instruments into Equity Shares of the Company. The Shares locked in by Promoters are not pledged to any one.

14. Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of the Company during the past 6 months except 41,780 Equity Shares acquired by Bodywave Fashions (I) Pvt. Ltd. by way of fresh allotment made on January 22, 2007 at a price of Rs. 125/- per Equity Share.

15. The Company has not raised any bridge loan against the proceeds of the present issue. For details on use of proceeds, see the section titled "Objects of the Issue" on page no. 24 of this Prospectus.

16. There would be no further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or otherwise during the period commencing from submission of this Prospectus with SEBI till the Equity Shares offered through this Prospectus have been listed.

17. At present, our Company does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise except that the Company may issue options to its employees pursuant to any employee Stock Option plan, or if the Company go for acquisitions and joint ventures, the Company may consider raising additional capital to fund such activity or use shares as currency for acquisition and / or participation in such joint venture.

18. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

19. The Company has not issued any shares out of revaluation reserves.

20. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

21. A Bidder cannot make a bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

22. The Company has 90 shareholders as on the date of filing of this Prospectus with SEBI.

23. The Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Bidder and Retail Individual Bidder categories, would be allowed to be met from other categories or combination of categories, at the discretion of our Company in consultation with the BRLM.

24. A total of 100,000 Equity Shares has been reserved for allocation to the Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Employees may bid in the Net Issue to the Public portion as well and such Bids shall not be treated as multiple Bids. Any under subscription in the Employee Reservation Portion will be added in the Net Issue size.

25. Our Company has not revalued its assets.

27. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in Para on "Basis of Allocation" on page no. 176 of this Prospectus.

28. **Restrictive Covenants of Lenders**

    As per the terms of the loan agreements, we require prior written consent from the Bank, for certain activities, amongst others, including to open a current account with any other Bank, undertake capital expenditure in excess of Rs. 5 million; withdraw unsecured loans by friends/relatives/promoters during the currency of the Bank loan; make any drastic change in the constitution; change the management / shareholding pattern or raise additional loan from other banks / financial institutions. The banker viz. ING Vysya Bank Limited have given its consent for the proposed IPO of the company vide letter dated June 7, 2007.

OBJECTS OF THE ISSUE

The proceeds from the proposed issue of shares are intended to be deployed for:

1. Setting up Retail outlets across India and brand building
2. Setting up a new apparel manufacturing unit
3. Warehousing and Logistic facilities
4. General Corporate Purposes
5. Issue Expenses

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The proceeds of the Issue would be utilized to finance the fund requirements as under:

(Rs. In Millions)

Fund Requirement	**Amount**
1. Setting up Retail outlets across India and brand building	106.30
2. Setting up of a new apparel manufacturing unit	367.10
3. Warehousing and logistic facilities	102.25
4. General Corporate purposes	101.68
5. Issue Expenses	47.17
Total	**724.50**

The means of finance to meet the estimated funds requirement for the above stated objects is set forth in the table below:

(Rs. In Millions)

Means of Finance	**Amount**
Proceeds of the Issue	724.50

The fund requirement and means of finance is based on internal management estimates and various quotations received by us from different suppliers and have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the apparel industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be with in the control of our management. This may entail rescheduling, revising or cancelling some of the planned expenditure or increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to factors which may not be in our control.

The fund requirement is proposed to be raised entirely through IPO proceeds and the proceeds from the Initial Public Offering/ IPO would be crystalized on finalization of the Issue Price on conclusion of the Book Building Process. Any shortfall in meeting the objects of the issues on determination of issue price on conclusion of the Book Building Process, would be met from internal accruals and / or debt. Further, the amount that is in excess of the funds required for the objects proposed project and Issue expenses will be utilized for general corporate purposes, which would be in accordance with the policies of our Board made from time to time.

Details of use of Issue Proceeds

1.1 Setting up Retail outlets across India and brand building

Our Company intends to have a total of 100 Retail outlets across the country. Of the 100, our Company proposes to open 50 company operated Retail outlets and the balance 50 Retail outlets shall operate on franchisee basis. Presently, 9 Retail outlets are operated by our Company and three Retail outlets are operating on franchise basis.

From the proceeds of the Issue, we plan to open and operate 41 Retail outlets. We also plan to enter into franchise arrangements for 47 Retail outlets. But we have not yet finalized the cities / locations for the proposed franchisee and also not entered into any agreement / tie-ups with any Retail owners. All these Retail outlets shall operate under our brand name "Thomas Scott".

The total cost in setting up 41 company operated Retail outlets is Rs. 73.80 millions, details of which are as under:

(Rs. In Millions)

Objects	Amount
Lease Rent Deposit for 4 months for the 41 outlets @ 0.15 mn per month each*	24.60
Furniture, Fixtures and other equipments for 41 stores @ 1.20 mn	49.20
Total	**73.80**

* The fund requirements described herein are based on management estimates and our current business plan on the basis of the current existing rentals and also the estimated future increase in the rentals.

As per the quotation received from Raj Enterprises dated January 3, 2008 the cost towards interior decoration including furniture, fixtures and other equipments like air conditioning and electrical fittings will be Rs. 0.96 million per Retail outlet. The cost of computers and other equipments would be Rs 0.24 million for each of our outlet as per the quotation received from Trinity System Solutions dated January 3, 2008. We do not envisage any difficulty in sourcing these equipments and services as these are standard equipments which are available at short notice.

Region-wise distribution of our Retail outlets

Region	Number of stores
North	15
South	9
East	7
West	10
Total	**41**

For geographical distribution of our product we have identified locations for set up of our new outlets. The city wise break up of the outlets is as follows.

A	NORTH	AREA
1	Agra	Saket Colony
2	Amritsar	Queen Road
3	Bharatpur	Nopa Circle
4	Chittaurgarh	Bhopal Bhavan
5	Dehradun	Clock Tower
6	Gurgaon	Chandarnagar
7	Jaipur	ITDC Gopalwadi
8	Jalandhar	Arya Nagar
9	Kanpur	Canal Road
10	Manali	Cricuit Road
11	New Delhi	Karol Bagh
12	New Delhi	Preet Vihar
13	New Delhi	Rajendra Nagar
14	Udaipur	Chandralok
15	Varanasi	Banaras Hindu University

B	SOUTH	AREA
1	Bangalore	Azad Nagar
2	Bangalore	St. Xaviers Church - Somanahalli
3	Bangalore	Azad Nagar
4	Chennai	YMCA, West Cott Road
5	Coimbatore	Ayyapan
6	Hyderabad	Banjara Hill
7	Mysore	Near Monk Museum
8	Kottayam	M G Road
9	Madurai	Madurai Bridge
C	**EAST**	**AREA**
1	Bhubaneshwar	Gajapati Nagar
2	Siliguri*	Sevoke Road
3	Cuttack	Jobra
4	Kolkata	Chitpur
5	Kolkata	Defence Estate
6	Patna	Bank Men Colony
7	Secundrabad	Menda Market
D	**West**	**AREA**
1	Ahmedabad*	Satellite Road
2	Ahmedabad	S.G. Road
3	Baroda*	Sarabhai Circle
4	Baroda	Old Padra Road
5	Anand	Lambhvel Road
6	Navi Mumbai*	Khargar
7	Nagpur*	Ramdaspeth
8	Nagpur*	Gandhisagar Lake
9	Aurangabad*	Prozone Mall
10	Jamnagar*	Khambhaliya Main Road

* We have already signed Letter of Intent at the above locations.

We have only identified the locations of our "Thomas Scott" outlets so there may be a deviation in the location if the management foresees any change in the business patterns, customer preferences or in the consumption patterns. There could also be a location change if there are certain difficulties that cannot be quantified currently like real estate, price explosion or unavailability of suitable place at the designated location. The region wise distribution will remain the same but the locations may differ as per the management perception.

1.2 Brand Building

We have entered into an agreement with Mr. Manish Malhotra, fashion designer for advertisement, promotion, marketing and endorsement of our products. For details of the agreement, please refer to paragraph "Brand Building Agreement" appearing on page no. 80 of the Prospectus. We aim to advertise our brand, through brand building efforts, communication and promotional initiatives such as advertisements in print media, hoardings, televisions, organizing events, participation in industry events, public relations and investor relations efforts and the cost of the same has been estimated on the basis of quotation received from Makani Creative Private Limited dated January 4, 2008. The details of the same are as follows:

(Rs. In Millions)

Objects	Amount	Total Cost
Expenditure on Advertisement:		
1. Magazine	5.00	
2. Newspaper	10.00	
3. Hoardings	7.50	22.50
Fees of Brand Ambassdor		7.50
Other miscellaneous cost (including travelling, boarding, etc.)		2.50
Total Cost		**32.50**

2 Setting up a new apparel manufacturing unit

We design, manufacture and sell a range of garments for men catering to the needs of various brands and retailers. Our Company has two manufacturing facilities in Bangalore under the name of Reunion Clothing Company and Formal Clothing Company. Besides the manufacturing facilities we outsource some manufacturing process from other small apparel manufacturing units in and around Mumbai, Bangalore on job-work. We propose to expand our manufacturing facilities by setting up new apparel manufacturing unit in Kolar District in the state of Karnataka which will provide from designing, procurement, cutting, stitching, washing, finishing, packing and loading directly to the destination of end customer. Our new set up will be deployed to manufacture the following key products for both men and women.

- Shirts & Tops
- Trousers & Bottoms

Total Cost of Project

(Rs. In Millions)

Particulars	Total
Land	52.50
Building and site development	126.00
Plant & Machinery	170.33
Furniture, Fixtures and other equipments	15.77
ERP system	2.50
TOTAL	**367.10**

The Details of Project are as follows:

Land

Our Company intends to set up a manufacturing unit in KIADB Industrial Area, Narasapura Industrial Area, District Kolar, near Bangalore, Karnataka from the proceeds of the Issue. Our Company has made an application dated Febraury 2, 2007 to KIADB for allotment of requisite land and the State Level Single Window Clearance Committee at its meeting held on February 19, 2007 has recommended to the KIADB the allotment of 35 acres of land to our Company for the project. The cost of land is estimated to be Rs. 1.5 million per acre amounting to Rs 52.50 million for the 35 acres required by our Company. The possession of the land shall be handed over to our Company by the KIADB within three days of the receipt of the cost of land. The allotment shall be made on a lease-cum-sale basis. The lease shall be for a period of six years from the date of allotment. On completion of the lease period and on compliance of all the terms and conditions of allotment, the lease shall be converted into sale by way of execution of a sale deed in favour of our Company.

Our Company shall develop the land made available by the KIADB and construct a manufacturing unit consisting of various sections viz. Sewing Section, Finishing Section, Cutting Section, Washing Section in a total built up area 1,40,000 sq. feet.

Building and Site Development

Our manufacturing unit will consists of various sections viz. Sewing Section, Finishing Section, Cutting Section, Washing Section in a total built up area 1,40,000 sq. feet. The cost of construction including site development, civil work, sanitary and electrical installation is estimated at Rs.126.00 Million as per the estimate dated May 21, 2007 from Structon Project Consultants Private Limited.

Description-Facility Wise	Area (In Sq feet)	Amount (Rs. in Millions)
Manufacturing	75000	67.50
Utilities	15000	13.50
Administration	10000	9.00
Warehouse	25000	22.50
Miscellaneous	5000	4.50
Staff Quarters	10000	9.00
Total	**140000**	**126.00**

Plant & Machinery

We would purchase machineries worth Rs 172.61 million. The estimated cost including the cost of associated spares, attachments, erectioning, installation and other accessories, are set forth in the following capital expenditure plan.

Sr No	Description	Model No	Supplier name	Quantity (Nos)	Rate Per Equipment (In USD)	Total amount (in USD)	Date of quotation
A	CUTTING SECTION						
1	Power driven cloth cutting machine	629X8"	IIGM	24	1150	27600	27-Mar-07*
2	End Cutter	EC-3	IIGM	17	450	7650	27-Mar-07*
3	Band Knife cutting machine	EC-700N	IIGM	11	4010	44110	27-Mar-07*
4	Pattern Cutting Machine	MJ-7300	IIGM	2	2100	4200	11-Apr-07*
5	CAM Automatic Cutter	XLC7000	IIGM	1	145000	145000	25-Jan-07*
6	Automatic Spreading machine	XLS50	IIGM	1	40000	40000	25-Jan-07*
7	Spreading table with air cusion	MABLE	IIGM	2	10900	21800	25-Jan-07*
8	Die Clicker	NS-860-25	IIGM	2	8800	17600	11-Apr-07*
B	SEWING SECTION						
9	Single Needle Lock Stitch Drop Feed Machine	DDL-8300N	IIGM	100	345	34500	27-Mar-07*
10	Single Needle Lock Stitch Machine	DDL-8700-7-WB/SC500	IIGM	850	850	722500	27-Mar-07*
11	Single Needle Lock Stitch Machine with Programmable panel	DDL-8700-7-WB/SC500/CP160	IIGM	108	980	105840	27-Mar-07*
12	High speed multi Needle Stitch Machine	DFB 1404 PSF	IIGM	14	1350	18900	11-Apr-07*
13	Single Needle Lock Stitch Machine with Edge cutter	DLM-5200ND	IIGM	30	1060	31800	27-Mar-07*
14	Single Needle Lock Stitch Machine	DLN-9010SS-WB/SC910/CP160	IIGM	34	2780	94520	27-Mar-07*
15	Button Hole sewing Machine	LBH-781U	IIGM	32	3010	96320	27-Mar-07*

Sr No	Description	Model No	Supplier name	Quantity (Nos)	Rate Per Equipment (In USD)	Total amount (in USD)	Date of quotation
16	Two Needle Lock Stitch machine	LH-3168SF	IIGM	42	1950	81900	27-Mar-07*
17	Lock stitch Button Stitching sewing machine	LK-1903 ASS-301/ MC-596-K	IIGM	34	4010	136340	27-Mar-07*
18	Double Needle Chain Stitch Machine	MH-380	IIGM	42	2400	100800	27-Mar-07*
19	Two Needle Chain Stitch sewing Machine	MH-382FU	IIGM	8	2400	19200	11-Apr-07*
20	Single Needle Chain Stitch Machine	MH-481U	IIGM	17	2500	42500	27-Mar-07*
21	Autojig machine for making collar cuff	MJ-3300	IIGM	13	8500	110500	11-Apr-07*
22	Three Thread Over lock Machine	MO-6704S-OE4-40H-300	IIGM	20	850	17000	11-Apr-07*
23	Five Thread over-lock Machine	MO-6716S-DE4-40H	IIGM	52	850	44200	11-Apr-07*
24	Feed of Arm Machine	MS-1190MF	IIGM	35	2110	73850	11-Apr-07*
25	Sleeve Placket Pressing Machine	NS-5503	IIGM	8	9100	72800	27-Apr-07*
26	Collar Turning & Trimming Machine	NS-76	IIGM	6	1000	6000	27-Apr-07*
27	Collar Blocking machine	NS-82	IIGM	8	4580	36640	27-Apr-07*
28	Work station for side seam operation over-lock	FD-5800	Loiva	4	15000	60000	17-Apr-07
29	Hook and Eye attach	NS-47	IIGM	2	1200	2400	27-Apr-07*
30	Bartack sewing machine	LK-1900 ASS/ MC-596-K	IIGM	24	3010	72240	27-Mar-07*
31	Belt Loop Making	B-2000C	IIGM	4	1450	5800	11-Apr-07*
32	Button Wrapping & Knotting Machine	ST-10	IIGM	6	5600	33600	11-Apr-07*
33	Single Needle Lock Stitch Machine	DLN-6390S-7/SC510	IIGM	6	5800	34800	27-Mar-07*
34	High speed multi Needle Stitch Machine complete set	DLR-1508P	IIGM	8	1450	11600	11-Apr-07*
35	Cuff Blocking machine	NS-85P	IIGM	8	4800	38400	11-Apr-07*
C	**Special Attachments to avoid Puckering**						
36	Digital Puller Multi Needle	EJ-9	IIGM	10	1400	14000	11-Apr-07*
37	Armole Pressing Machine	NS-8401	IIGM	8	6840	54720	27-Mar-07*
38	Side seam Pressing machine	NS-8402	IIGM	8	8000	64000	27-Mar-07*
39	Pressing shoulder and back yoke	NS-8404	IIGM	5	7500	37500	27-Mar-07*
40	Pneumatic Collar Notcher	NS-95	IIGM	5	650	3250	27-Mar-07*
41	Placket cutting machine	NS-94	IIGM	6	2000	12000	27-Mar-07*
42	Digital Puller FOA	EJ-9	IIGM	22	1600	35200	11-Apr-07*
43	Digital Puller	EJ-9	IIGM	81	1400	113400	11-Apr-07*
D	**VALUE ADDED MACHINES**						
44	Embroidery Machine	AMAYA-XT	Magnum	20	12500	250000	04-Jan-08
45	Embroidery Software	AMAYA OS	Magnum	1	10000	10000	04-Jan-08
i	**Sub Total (in US$)**					**3006980**	
	Sub Total (in Rs. Millions)					**118.58**	

Sr No	Description	Model No	Supplier name	Quantity (Nos)	Rate Per Equipment (In EURO)	Total amount (in EURO)	Date of quotation
A	**SEWING SECTION**						
46	Automatic Pocket welt Machine	100/68	Turel	7	14000	98000	27-Apr-07
47	Left and Right Fly Attach	EWS 5800	HCA	2	14000	28000	02-Jan - 08
48	Blind stitch Machine	251-32	Turel	2	3500	7000	02-Jan-08
49	Auto Dart Sewer	PFAFF3586/02/02	HCA	2	24000	48000	02-Jan - 08
B	Finishing Section						
50	Form Finisher with pocket pressing device	TF/AL	IIGM	12	8000	96000	11-Apr-07*
51	Automatic Legger Press	BL-E-30	IIGM	12	6500	78000	11-Apr-07*
52	Automatic Topper Press	BL-B-99	IIGM	14	5500	77000	11-Apr-07*
ii	**Sub Total (in Euro)**					**432000**	
	Sub-Total (Rs. In millions)					**25.09**	

Sr No	Description	Model No	Supplier name	Quantity (Nos)	Rate Per Equipment (Rs. in million)	Total amount (Rs. in million)	Date of quotation
A	**CUTTING SECTION**						
53	Fabric Inspection	RFI 01	Ramsons	3	0.14	0.43	14-Mar-07**
B	**WASHING SECTION**						
54	Ramsons Textile processing machine	RVD-200	Ramsons	3	0.66	1.97	14-Mar-07**
55	Inverter drive	NA	Ramsons	3	0.08	0.24	14-Mar-07**
56	PH Meter	NA	Ramsons	3	0.04	0.13	14-Mar-07**
57	Pneumatic Valve	NA	Ramsons	3	0.03	0.1	14-Mar-07**
58	Tumble Drier	RTD-120	Ramsons	4	0.27	1.07	14-Mar-07**
59	Hydro Extractor	RNC-50	Ramsons	2	0.2	0.39	14-Mar-07**
60	Ramsons Textile processing machine	RVW-20	Ramsons	1	0.12	0.12	14-Mar-07**
61	Hydro Extractor	RDD-15	Ramsons	1	0.09	0.09	14-Mar-07**
62	Tumble Drier	RTD-15	Ramsons	1	0.1	0.1	14-Mar-07**
63	Shade matching system	NA	Ramsons	1	0.03	0.03	14-Mar-07**
64	Eye wash station	NA	Ramsons	1	0.03	0.03	14-Mar-07**
65	Wet Trolly	NA	Ramsons	3	0.01	0.04	14-Mar-07**
66	Dry Trolly	NA	Ramsons	3	0.01	0.03	14-Mar-07**
67	Briquette Boiler 1 ton	NA	Ramsons	1	1.33	1.33	14-Mar-07**
C	**Finishing Section**						
68	Vacuum Table	NA	Ramsons	72	0.03	2.12	14-Mar-07**
69	Online vacuum board with portable boiler	TYPE 'Z'	Ramsons	56	0.034	1.9	14-Mar-07**
70	Thread Sucking	TSM 77	Ramsons	6	0.05	0.31	14-Mar-07**
71	Stain removing machine	CL4	Ramsons	5	0.09	0.44	14-Mar-07**
iii	**Sub Total (Rs. In millions)**					**10.87**	

Particulars	Total (Rs in millions)	Duty ^ (%)	Duty (Rs in millions)	Total (Rs in millions)
Imported machinery (i+ii)	143.67	8.5	12.21	155.88
Indigenous machinery	10.87	32.95	3.58	14.45
Total				**172.61**

^ As per management estimates.

**These have been revalidated by supplier's letter dated January 3, 2008 **These have been revalidated vide supplier's letter dated January 4, 2008.*

1 USD = 39.435 INR (as on December 31, 2007)

1 EURO = 58.081 INR (as on December 31, 2007)

As on the date of filing the Prospectus we have not entered into any contracts for procurement of the plant and machinery. The above estimates are based on quotations received by us.

Furniture, Fixtures and other equipments

As per the quotation received from Raj enterprises dated January 3, 2008 we will be incurring a cost of Rs 14.00 million towards furniture, fixtures and other equipments like air conditioning, electrical fittings. The cost of computers and other equipments would be Rs 1.77 million as per quotation from Trinity System Solutions dated January 3, 2008. The total cost, therefore is estimated at Rs. 15.77 millions. We do not envisage any difficulty in sourcing these equipments and services as these are standard equipments which are available at short notice.

ERP System

To synchronise operations across the country at all warehouses, Retail stores and manufacturing facilities under a common database, we would like to install an online information system. The estimated cost on implementation of the entire system would be Rs. 2.50 millions as per the quotation received from M/s Ginni Systems Limited dated January 3, 2008.

Infrastructural facilities

Power Consumption

The total requirement of power at full capacity has been estimated at 1000 KVA and the same will be sourced from State Electricity Board. We will apply for sanction of power load once we acquire the requisite land.

Water

Water requirement for various activities like washing, finishing, human consumption and other miscellaneous activities has been estimated at 100,000 litres per day. We will apply for sanction of water once we acquire the requisite land.

Raw Materials

The raw material requirement for the expansion project is as follows:

Name of the Item to be manufactured	Raw Material	Sources
Shirts and tops	Fabrics	Imported and Indigenous
	Interlining, Buttons, Threads,	Indigenous
Trousers and pants	Fabrics	Imported and Indigenous
	Zipper, Buttons, Threads	Indigenous

Raw materials required for manufacturing of apparels are fabrics, interlining, buttons, threads and zippers. The raw materials are sourced from indigenous sources and the fabrics will be sourced from countries like China, Portugal, Turkey, Mauritius, and also from domestic suppliers. We have existing relationship with our suppliers and also have manpower engaged in procurement of raw materials. We therefore, do not envisage any difficulty in procurement of required raw material.

Manpower

The total requirement of manpower for the proposed plant will be 4470 persons comprising of skilled, semi-skilled, unskilled workers, supervisory and administrative staff, details of which are as under:

Sr. No.	Category of Employees	Number of employees
1	Managerial Post	20
2	Officers	40
3	Supervisor	50
4	Technical	10
5	Skilled	2750
6	Unskilled	1600
	Total	**4470**

We will be recruiting manpower for the project and are looking for both skilled and unskilled manpower across various functional areas and ensure their technical / professional competence. Our proposed projects being located near Bangalore, which is an established textile hub, we do not foresee any difficulty in the availability of and recruitment of the requisite manpower.

3. Setting up of warehouse and logistic facilities

We propose to establish warehouses at various locations to facilitate efficient supply chain management for our retail operations across India. We also intend to provide warehousing and logistic facilities for the retailers in fashion and lifestyle products. Warehousing and logistic facilities involve integration of information, inventory management, warehousing, material handling, packing and transportation.

(Rs. in millions)

Particulars	Amount
Purchase of warehouse at Mumbai, Delhi, Hyderabad, Chennai, Bangalore	72.50
Interior development at Mumbai, Delhi, Hyderabad, Chennai, Bangalore	29.75
Total	**102.25**

Warehouse

We have neither identified any specific locations for purchase of warehouses nor entered into any arrangement / tie-up for purchasing the same. We are in the process of identifying warehouses at our specified locations which match our requirements of easy access, trained labour and cost advantage in the cities namely Mumbai, Delhi, Hyderabad, Chennai, Bangalore for establishing our warehouse facility. As per estimates of Structon Project Consultants Private Limited dated July 5, 2007, the cost of all the warehouses would be Rs.72.50 million, details of which are as under:

Location of warehouse	Area Sq. ft.	Rate (Rs. per sq.ft)	Purchase cost (Rs. in millions)
Delhi	10000	2,000	20.00
Mumbai	15000	2,000	30.00
Hyderabad	5000	1,500	7.50
Chennai	5000	1,500	7.50
Bangalore	5000	1,500	7.50
Total			**72.50**

Interior development

We will be setting up the basic facilities, viz, storing racks, furniture's, and computers for inventory control. As per estimate by the project consultant viz. Structon Project Consultants Private Limited dated July 5, 2007 the cost of construction and installation is estimated at Rs. 28.00 million. The cost of computers and other equipments would be Rs 1.75 million as per quotation from Trinity System Solutions dated January 3, 2008. The total cost for interior development is estimated at Rs. 29.75 millions. We do not envisage any difficulty in sourcing these equipments and services as these are standard equipments which are available at short notice.

4. **General Corporate Purposes**

The Net proceeds will be utilized first towards implementation of the aforementioned projects and the balance is proposed to be utilized for general corporate purposes including any cost overrun, strengthening of our marketing capabilities and any future acquisition or investment in joint ventures.

As of the date of this Prospectus, we have not entered into any letter of intent or any definitive commitment for any such acquisition or investments in joint ventures. Our management, in accordance with the policies set up by the Board of Directors of the Company, will have flexibility in applying the balance proceeds received by us from this Issue, if any, allocated for general corporate purposes.

5. **Meeting the Issue Expenses***

The total estimated expenses are Rs. 47.17 millions which is 6.51 % of the Issue size. All expenses with respect to the Issue will be borne by our Company. The details of the expenses are as given below:

(Rs. In millions)

Activity	**Amount (Rs. In millions)**	**% Total Issue Size**	**% Total Issue Expenses**
Issue Management Fees, Brokerage & Selling Commission	18.11	2.50%	38.39%
Fees payable to Registrars to the Issue	2.00	0.28%	4.24%
Fee for Legal Advisors to the Issue	0.50	0.07%	1.06%
Fee payable to Grading Agency for grading the Issue	0.56	0.08%	1.19%
Printing and Distribution of Issue Stationery	8.0	1.10%	16.96%
Advertising and Marketing expenses	15.00	2.07%	31.80%
Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	3.00	0.41%	6.35%
Total	47.17	6.51%	100%

Working Capital Requirement

The Net Proceeds of this Issue will not be used to meet our working capital requirements as we expect sufficient internal accruals to meet our existing working capital requirements.

Schedule of Implementation

Sr. No	Activity	Expected month of Commencement	Expected month of Completion
1.	**Setting up of new apparel manufacturing unit**		
	(i) Land acquisition	March 2008	March 2008
	(ii) Site Development	April 2008	April 2008
	(iii) Construction of Buildings	April 2008	July 2008
	(iv) Plant and Machinery		
	(a) Placement of Orders	March 2008	March 2008
	(b) Delivery	June 2008	July 2008
	(c) Installation	July 2008	August 2008
	(v) Trial Runs	August 2008	August 2008
	(vi) Commercial Production	September 2008	September 2008
2.	**Setting up of Retail outlets and Brand building**	September 2007	June 2009
3.	**Setting up of Warehouse and logistic facilities**		
	(i) Purchase of warehouse	March 2008	April 2008
	(ii) Interior development of warehouse	May 2008	June 2008

Proposed Deployment of funds

(Rs. In millions)

Sr.	Particulars	FY 2007-08		FY 2008-09				FY 2009-10		
		Funds deployed till date	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Total
1	Setting up of a new apparel manufacturing unit	-	86.57	121.98	158.55	-	-	-	-	367.10
2	Setting up Retail outlets across India and Brand Building	5.34	13.96	22.00	22.00	22.00	13.0	4.0	4.0	106.30
3	Warehousing and logistic facilities	-	10.22	92.03	-	-	-	-	-	102.25
4	General Corporate Purpose	-	50.84	50.84	-	-	-	-	-	101.68
5	Issue Expenses	6.41	40.76	-	-	-	-	-	-	47.17
	TOTAL	**11.75**	**202.35**	**286.85**	**180.55**	**22.00**	**13.0**	**4.0**	**4.0**	**724.50**

Funds Deployed till date

The details of the amounts spent by the Company as of January 5, 2008, on projects mentioned as part of the Objects of the Issue, as certified by Rajendra K. Gupta & Associates, Chartered Accountants, pursuant to their certificate dated January 6, 2008 are provided in the table below:

Activity	Amount (Rs. in millions)
Funds Depoloyed	
Issue Expenses	6.41
Brand Building	1.87
Setting up of Retail Outlets	3.47
Total	**11.75**
Means of Finance	
Internal Accruals	11.75

Interim Use of Proceeds

Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, and to reduce overdraft for the necessary duration. Such investments would be in accordance with the investment policies approved by the Board from time to time. Such transactions would be at the prevailing commercial rates at the time of investment. Our Company may apply part of the proceeds of the Issue, pending utilization for the purposes described above, towards working capital requirements. In case our Company utilizes a portion of the funds raised for meeting short-term working capital requirements, our Company undertakes that these funds would eventually be directed towards the Objects of the Issue mentioned herein. The Company confirms that pending utilization of the Issue proceeds, it shall not use the funds for any investments in the equity markets.

Monitoring of Utilisation of funds

We will disclose the utilization of the proceeds under a separate head in our Company's balance sheet for the financial year 2008, 2009 and 2010 clearly specifying the purpose for which such proceeds have been utilised. We, in our balance sheet for the fiscal 2008, 2009 and 2010, provide details, if any, in relation to all such proceeds of the issue that have not been utilized thereby also indicating investments, if any of such unutilized proceeds of the issue.

No part of the issue proceeds, will be paid by the Company, as consideration to Promoters, Directors, Promoter Group Companies, key managerial personnel except in the usual course of business.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu with the existing Equity Shares of the Company including rights in respect of dividends. The Allottees of the Equity Shares under this Issue shall be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details see the section entitled ''Main Provisions of the Articles of Association'' at page 184 of this Prospectus.

Mode of payment of Dividend

Our Company shall pay dividend to its shareholders as per the provisions of the Companies Act, 1956.

Face value and Issue Price

The Equity Shares with a face value of Rs. 10/- each are being issued in terms of this Prospectus at an Issue Price of Rs. 207 per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of Articles of Association of the Company dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to the section on "Main Provisions of Articles of Association of the Company" on page no. 184 of this Prospectus.

Market lot and trading lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. As per existing SEBI Guidelines, the trading of Equity Shares of the Company shall only be in dematerialised form. Since trading of Equity Shares of the Company is compulsorily in dematerialized mode, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares subject to a minimum Allotment of 30 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the

Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of the Company or at the Registrar and Transfer Agents of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If an investor needs to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue to the public including devolvement of the members of the Syndicate, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of allottees i.e. persons to whom the Equity Shares will be allotted under the Issue shall not be less than 1,000.

Withdrawal of the issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime before the Bid/ Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If the Company does not receive minimum subscription of 90% of the Issue size, including devolvement of the members of the syndicate, the Company shall forthwith refund the entire subscription amount received. In case, the Company receives minimum subscription but wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in an English National Newspaper, a Hindi National Newspaper and one Regional language (Marathi) newspaper with wide circulation.

Arrangements for disposal of odd lots

Since the market lot for Equity Shares of our Company will be one, no arrangements for disposal of odd lots are required.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, Maharashtra India.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and Issue Price is 20.7 times the face value.

Investors should read the following summary with the risk factors beginning from page nos. iii and the details about our Company and its financial statements included in this Prospectus. The trading price of the Equity Shares of the Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors:

Existing Brand

We have launched "Thomas Scott" brand in the year 2002 with an objective of tapping the branded apparels for men's wear.

Retail Outlets

We have opened twelve Retail outlets in Mumbai, Navi Mumbai, Rajkot, Surat, Gurgaon (Haryana), Bangalore (three, out of which one is franchisee), Kolkata, Thane, New Delhi and Ahmedabad.

In-house designing capabilities

Over the years we have developed the skills to conceptualize the design of fabrics considering latest trends and prevailing fashion. We have installed Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) software in the year 2002 for quality textile designing.

Existing Distribution network

We are selling our products through Multi-Brand Outlets (MBOs) and Large Format Stores like Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA at different locations across India. We are also selling our products through our retail outlets.

Information technology systems

Our office processes are computerized which support procurement, supply chain logistics, distribution centres management and store operations including inventory management and billing. Different functions of our Company are connected with each other through an Enterprise Resource Planning (ERP).

Quantitative Factors:

1. **Adjusted Earning Per Equity Share**

Period ended March 31,	On Stand-alone basis		On Consolidated basis	
	Earning per Equity Share (Rs.)	Weight	Earning per Equity Share (Rs.)	Weight
2004-05	0.83	1	0.83	1
2005-06	2.39	2	2.39	2
2006-07	7.36	3	11.65	3
April 1, 2007 - September 30, 2007 (Annualised) - Diluted	11.57	-	14.24	-
Weighted Average	**4.62**		**6.76**	

2. **Price / Earning Ratio (P/E) in relation to the Issue Price**

	On Stand-alone basis	On Consolidated basis
	At the Issue Price of Rs. 207 per Equity Share	At the Issue Price of Rs. 207 per Equity Share
Based on the Adjusted EPS for the year ended March 31, 2007	28.13	17.77
Based on the weighted average EPS	44.81	30.62
Based on Adjusted EPS for the period ended September 30, 2007 (Annualised & Diluted)	17.89	14.54

Industry P/E - Textile Products

Sr. No	Particulars	Industry P/E
(i)	Highest	138.6
(ii)	Lowest	6.1
(iii)	Average	37.2

(Source: Capital Market dated December 31, 2007 to January 13, 2008)

3. **Return on Networth (RoNW)**

	On Stand-alone basis		On Consolidated basis	
Year (Period ended September 30)	**RoNW %**	**Weight**	**RoNW %**	**Weight**
2004-2005	17.11	1	17.11	1
2005-2006	32.88	2	32.88	2
2006-2007	50.08	3	57.96	3
April 1, 2007 - September 30, 2007 (Annualised)	51.35	-	49.16	-
Weighted Average	**38.85**		**42.79**	

4. **Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS**

Particulars	On EPS of Rs. 7.36 (Stand-alone basis)	On EPS of Rs. 11.65 (Consolidated basis)
	At the Issue Price of Rs. 207 per Equity Share	At the Issue Price of Rs. 207 per Equity Share
Minimum Required RoNW for maintaining above EPS	10.54	15.63

5. **Net Asset Value per share (NAV)**

Particulars	On Stand-alone basis Adjusted NAV	On Consolidated basis Adjusted NAV
As on September 30, 2007	22.13	28.46
As on March 31, 2007	13.98	19.13
After Issue	69.85 (At Issue Price of Rs.207/-)	74.54 (At Issue Price of Rs.207/-)

6. **Comparison with Industry Peers**

The comparable ratios of companies, who are in similar line of business and similar size of operations in terms of total income are given below:

Name of Company	Face Value (Rs.)	E.P.S. (Rs.) (TTM)	P/E (Rs.)	Book Value	RONW (%)
Kewal Kiran Clothing Limited	10	16.20	23.60	102.20	22.9
Provogue India Limited	10	12.6	99.5	133.2	10.8
Zodiac Clothing Co. Limited	10	21.4	25.4	120.4	14.6
Bang Overseas Limited (for period ended March 31, 2007) (Stand-alone)	10	7.36	28.13	13.98	50.08

(Source: Capital Market dated December 31, 2007 to January 13, 2008)

Note: The restated financial information of the Industry Peers is not ascertainable, the ratios disclosed in the Prospectus for the purpose of comparison with the accounting ratios of our Company is not based on restated financial statements of the Industry Peers.

The face value of the shares of the Company is Rs. 10/- per share and the issue price of Rs. 207 per share is 20.70 times of the face value of the shares of the Company.

The BRLMs believe that the issue price of Rs. 207 is justified in view of the above qualitative and quantitative factors. See the section titled "Risk Factors" and "Financial Statements" beginning on page no. iii and 103 of this Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on page no. 103 for further information.

STATEMENT OF TAX BENEFITS

The Board of Directors,
Bang Overseas Ltd.
Masjid Manor, 16, Homi Modi Street,
Fort, Mumbai - 400 013.

Dear Sirs,

We hereby certify that the enclosed "Annexure" states the tax benefits available to Bang Overseas Ltd. (the "Company") and its Shareholders under the provisions of the Income-tax Act, 1961 and other direct tax laws presently in force. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions which based on business imperatives the company faces in the future, the company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been/would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. A shareholder is advised to consider in his/her/its own case the tax implications of an investment in the Equity Shares.

For Rajendra K. Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner

Mno. 9939

Place: Mumbai
Date: December 30, 2007

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO BANG OVERSEAS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

(I) SPECIAL TAX BENEFIT AVAILABLE TO THE BANG OVERSEAS LTD. AND ITS SHAREHOLDERS:

No special tax benefits are available to the Bang Overseas Ltd. and its shareholders.

(II) GENERAL TAX BENEFITS AVAILABLE TO BANG OVERSEAS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

1. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend from domestic company referred to in Section 115-O of the Act.

1.2 **Income from units of Mutual Funds exempt under Section 10(35)**

The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of Section 10(35) of the Act.

1.3 **Computation of capital gains**

1.3.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

1.3.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

1.3.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(36) or 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

1.3.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

1.3.5 *Exemption of capital gain from income tax*

- Under Section 10(36) of the Act, long term capital gains arising on eligible equity share in a company (acquired on or after the 1st day of March 2003 and before the 1st day of March 2004) sold through a recognized stock exchange in India will be exempt from tax.

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

  However, such income shall be taken into account in computing the book profit tax payable under Section 115JB.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

1.4 Other specified deductions

Subject to fulfillment of conditions, the Company will be eligible, inter alia, for the following specified deductions in computing its business income:-

1.4.1 Section 35(1)(i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

1.4.2 Section 35(1)(ii) and (iii) of the Act, in respect of any sum paid to a Scientific Research Association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research or for research in social sciences or Statistical Research to the extent of a sum equal to one and one fourth times the sum so paid.

1.4.3 Subject to compliance with certain conditions laid down in Section 32 of the Act, the Company will be entitled to deduction for depreciation:

- In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income-tax

  Rules, 1962;

- In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

1.4.4 Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115 JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

2. Benefits available to resident shareholders

2.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2.2 **Computation of capital gains**

2.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains".

Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

2.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition /improvement by a cost inflation index as prescribed from time to time.

2.2.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

2.2.4 As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

2.2.5 ***Exemption of capital gain from income tax***

- Under Section 10(38) of the Act, Long term Capital Gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.
- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

  In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.
- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately.

  For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

2.3 **Rebate under section 88E**

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

3. **Benefits available to Non-Resident Indian shareholders (Other than FIIs and Foreign venture capital investors)**

3.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

3.2 **Computation of capital gains**

3.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains".

Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

3.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

3.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost.

According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

3.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

3.2.5 ***Options available under the Act***

Where shares have been subscribed to in convertible foreign exchange -

Option of taxation under Chapter XII-A of the Act:

Non-Resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

- According to the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian company not exempt under Section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- According to the provisions of Section 115F of the Act and subject to the conditions specified

therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. If part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

- Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in Section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

- Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) & (v) of Section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

- As per the provisions of Section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

3.2.6 ***Exemption of capital gain from income tax***

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under Section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

  In such a case, the cost of such long term specified asset will not qualify for deduction under Section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

3.3 **Rebate under section 88E**

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

4. Benefits available to other Non-resident Shareholders (Other than FIIs and Foreign venture capital investors)

4.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

4.2 **Computation of capital gains**

4.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

4.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

4.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost.

As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

4.2.4 As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

4.2.5 ***Exemption of capital gain from income tax***

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.
- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long term specified asset will not qualify for deduction under Section 80C of the Act. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted intomoney.

- According to the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

4.3 **Rebate under section 88E**

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

5. Benefits available to Foreign Institutional Investors ('FIIs')

5.1 **Dividends exempt under section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

5.2 **Taxability of capital gains**

5.2.1 Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

5.2.2 The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares of the company would be taxed at the following rates as per section 115 AD of the Act-

- Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
- Short term capital gains, referred to under section 111A of the Act shall be taxed @ 10% (plus applicable surcharge and education cess)
- Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)

  It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

5.2.3 According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

5.4 **Rebate under section 88E**

Section 88E provides that where the total income of a person includes income chargeable under the head

"Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

6. Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

7. Venture Capital Companies / Funds

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

8. Tax Treaty benefits

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

9. Benefits available under the Wealth-tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

Notes:

1. *All the above benefits are as per the current tax law as amended by the Finance Act, 2007.*
2. *The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.*
3. *In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.*

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The second fastest-growing economy in the world, the third largest economy in terms of gross domestic product (GDP) in the next five years, and the fourth largest economy in purchasing power parity (PPP) terms after the united states, China and Japan, India is rated among the top 10 destination for foreign direct investment (FDI).

(Source: IMAGES Yearbook 2007 Volume IV No 1)

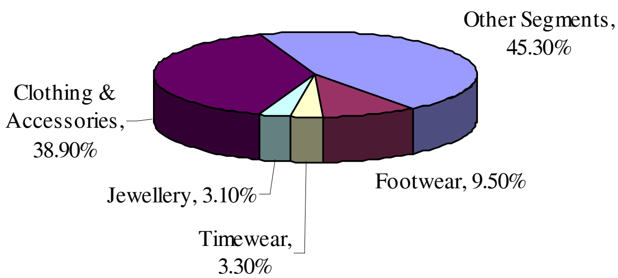
Indian Retail Sector

The Indian retail market is gradually but surely opening up, even as other markets become increasingly saturated. The country is at the peak of attractiveness for retailers right now, with her USD 270- billion retailers market growing at the rate of 13 per cent and all indicators suggest that there can only be further acceleration from her on. What is even more heartening is the fact that India's minuscule organized retail market has gained the momentum required to propel it to the next phase of real rapid expansion: at prevailing prices, this segment grew 42 per cent in 2006. All that Indian retail now needs is an uninterrupted supply of investment, and that should not be a problem given the interest and enthusiasm that retail has generated among India's large corporate house, and also given the eagerness of global retail giants to do business in India.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

As per India Retail Report 2007, of the total Rs. 1,200,000 crore (USD 270 billion) Indian retail market, the domestic fashion market for apparel, textiles, jewellery, timewear, footwear and fashion accessories is estimated to be worth Rs. 191,000 crore at current (2006) prices - forming about 15 per cent.

Of the total organized retail market of Rs. 55,000 crore, the business of fashion accounts for an estimated Rs. 30,080 crore - nearly 55 per cent of the total. Commanding such a large chunk, fashion retailing has been single - handedly responsible for driving the business of retail in India.



Global Textile and Apparel Industry

Textiles exports contribute 16.63% to the country's total exports earnings, and India's share in the global textiles and apparel market is 3.9% and 3%, respectively. The textiles exports basket consists of readymade garments, cotton textiles, textiles made from man-made fibre, wool and woollen goods, silk, handicrafts, coir, and jute.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

According to data provided by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata textiles exports were US $ 14 billion in 2004-05, and increased to US $ 17 billion in 2005-06, registering an increase of about 22%. Textiles exports during April- October 2006, increased by 6.47% in dollar terms, and 11.43% in Rupee terms, and are expected to reach US$ 19.73 billion by March 31, 2007.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Indian Apparel Industry

The Indian apparel market registered a 5.3-per cent growth in volumes in the year 2006, producing in all approximately 5,298 million unites as compared to 5,034 million unites in the previous year. In value terms this translated into a growth of 14.7 per cent, from Rs 883 billion in 2005 to Rs 1,013 billion in 2006.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

APPAREL MARKET

Annual Growth Rate (%)

	2005	2006
Volume	4.7	5.3
Value	13.6	14.7

(Source: IMAGES Yearbook 2007 Volume IV No 1)

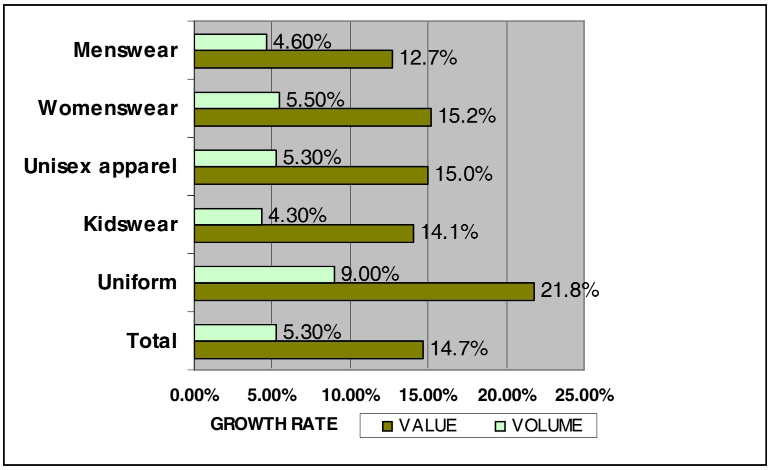
INDIA'S APPAREL MARKET SIZE

	2005		2006	
	Volume (000 units)	Value (Rs. Cr,)	Volume (000 units)	Value (Rs. Cr)
Menswear	1,393,639	32,590	1,457,830	36,740
Womenswear	1,443,113	28,375	1,522,990	32,680
Unisex apparel	470,978	6,615	496,120	7,600
Kidswear	1,268,933	13,085	1,322,980	14,930
Uniforms	456,862	7,675	497,980	9,350
TOTAL	**5,033,524**	**88,340**	**5,297,900**	**101,300**

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Growth of the Indian Apparel Market

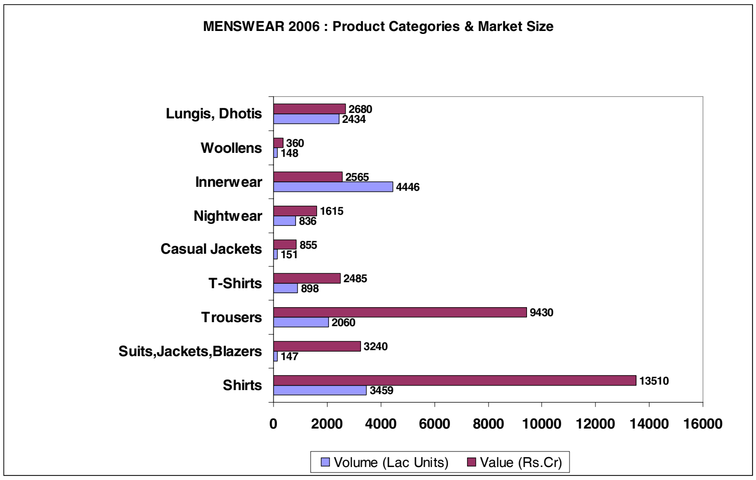
Growth in Major Apparel Segments during 2006 over 2005



(Source: IMAGES Yearbook 2007 Volume IV No 1)

India's Menswear Market

Menswear market mainly comprises of shirts, trousers, suits, jackets, blazers, t-shirts etc.

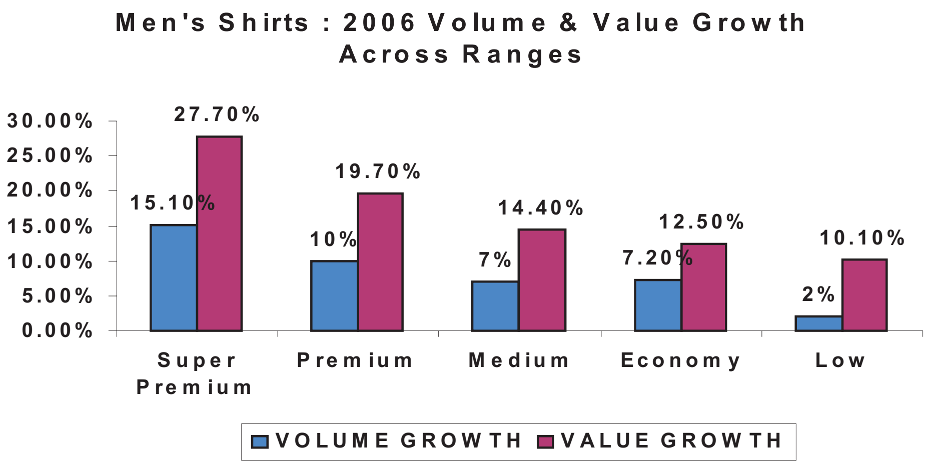


(Source: IMAGES Yearbook 2007 Volume IV No 1)

Men's Shirts

Valued at Rs.13,510 crore, men's shirts as a category commands the largest market share in the men's segment, and also has the maximum number of players competing for a bigger chunk of this market. There are many established players and many brand variants from each of them, which make it difficult to create distinct identity in the category. Yet, there are brands that have successfully established themselves in specialized sub-categories like formal wear and party wear.

(Source: IMAGES Yearbook 2007 Volume IV No 1)



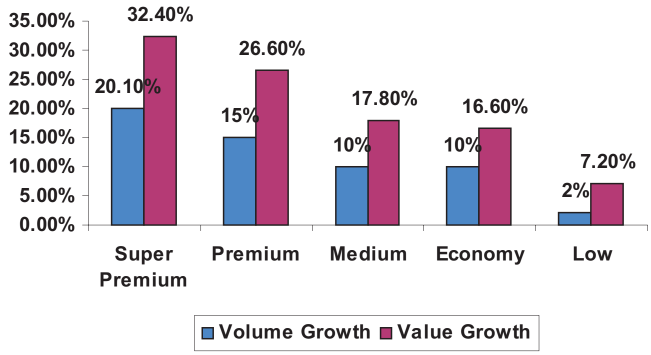
(Source: IMAGES Yearbook 2007 Volume IV No 1)

Men's Trousers

The men's trousers market, valued at Rs 9,430 crore in 2006, constitutes yet another major apparel category. In the super-premium range, volumes grew over 20 per cent and appreciation in value was of the order of 32.4 per cent. The premium, medium and economy ranges also experienced exemplary volume and value growth, with value appreciating by 17 to 27 per cent during 2006. This is a clear pointer to the fact that existing customers are now upgrading to higher ranges.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Men's Trousers : 2006 Volume-Value Growth Across Ranges

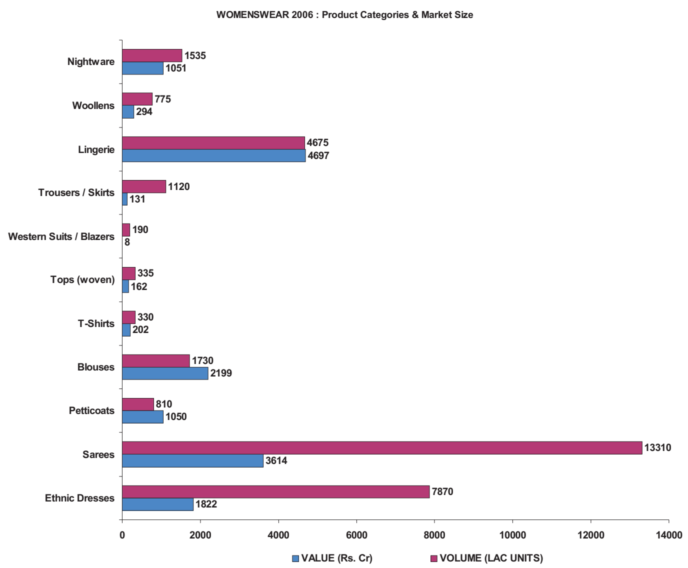


(Source: IMAGES Yearbook 2007 Volume IV No 1)

Women's Wear Market

The Rs.32,680-crore women's wear segment companies a 32.3 percent share of the Indian apparel market in value terms In volume terms, the market share of women's wear is about one per cent higher (at 28.7 per cent) than that of menswear, but in value terms its share is four percent lower than that of menswear - mainly because the branded segment in women's wear was practically non-existent till a few years back. Today, it is the most attractive segment for investments. During 2006, volumes grew 5.5 per cent while value appreciation was a high 15.2 per cent.

(Source: IMAGES Yearbook 2007 Volume IV No 1)



(Source: IMAGES Yearbook 2007 Volume IV No 1)

Ready-to-Wears Segment

As the domestic economy grows stronger and per-capita income moves up, the apparel market is bound to grow. Traditionally, tailor-made garments have found great favour with the Indian masses, but the trend is now shifting to ready-to-wears.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Proportion of Readymade in Different Customer Segments: 2006

Category	Ready-to-wear (RTW)	Tailor made (RTS)
Men	61%	39%
Women	76%	24%
Kids	83%	17%
Total	**69%**	**31%**

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Branded Apparel segment

Branded and Private Labels Increase Market Share:

Within the readymade segment, there are branded as well as unbranded players. The branded segment is one wherein the manufacturer or the marketer makes a conscious effort to promote the brand name of the offering through advertising and other means. Such players can be national brands like Raymond's Park Avenue, Arvind's Newport, Madura Garment's, Peter England, and ITC's Wills Classic, or local brands with limited regional presence.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Several foreign brands have successfully established their presence in India, some via a tie-up with domestic concerns (like Benetton), and other via the license (Arrow, Allen Solly). Some brand like Levi's, Adidas and Nike compete on their own, While Tommy Hilfiger, mark and Spencer, Speedo and Umbro are retailed through franchisee channels. Besides these, there also exists a category of private labels at large-format department stores.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Proportion of Branded in Different categories: 2006

Category	Share of Branded	Share of Unbranded
Men	38%	62%
Women	23%	77%
Kids	13%	87%

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Reasons for growth of the Indian Apparel Sector

Easing of FDI norms in sectors like single-brands retail operations has come as a shot in the arm for the Indian fashion industry - licensor global brands are seen taking over the marketing, distribution and retail operation of their erstwhile Indian licensees, and, in the process, allowing their Indian partners to concentrate their investments on manufacturing activities. As a result, the Indian apparel market is likely to witness higher growth in the years ahead.

New formats like hypermarket with their value offering and appeal to a broader section of the consumer base, are likely to further increase the penetration of organized apparel retailing in the country. Already, apparel makes up for a large proportion of total sales for hypermarket players like big bazaar and Vishal mega mart.

Malls are expected to be one of the main drivers of growth of apparel retailing in India, since such organized retail spaces offer large areas to fashion products. Most shopping centres try to attract department stores as their anchor tenants and, therefore, offer attractive terms to this large-format stores. The oversupply of malls in recent years did benefit department stores by providing them more bargaining strength to negotiate favorable terms and condition with mall developers.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Apparel Retail Trends

1. Existing apparel brands and retailers have started exploring the potential of smaller cities and expanding their retail network in a big way, as is evident from the fact that in 2006 there was on an average 145-per-cent growth in retail presence, as compared to about 30-per-cent growth in the previous year.
2. In terms of operating of new retail outlets, apparel retailers and brands attained 84 per cent growth in number of outlets in 2005, topping it up with 113 per cent growth in 2006.
3. Year 2005 witnessed more emphasis on mega apparel showrooms as there was a three-fold increase in retail space during the year - as compared to 84-per-cent increase in the number of outlets in the same period.
4. In 2006 there was on an average 130-per-cent increase in retail space as compared to about 110 per cent increase in number of outlets.
5. In case of retail expansion of leading fashion-accessory retailers and brands, they recorded an average growth of 35 per cent in setting up shops in new cities and regions.
6. There was 40-per-cent increase in the number of fashion-accessory retail outlets of some of the country's leading retailers and brands.
7. However, increase in retail space was only to the tune of 14 per cent in 2006, an indication that the rapid rise in real estate costs and the need to economize on this front, have led to the decision to have smaller outlets. Many of these retailers and brands have opted for shops within malls, which help in easy identification of smaller cubicles, as compared to standalone high-street location.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

Key Development Issues

The potential for the market to witness multi-fold growth in very evident. However, numerous factors interplay to impede full realization of this potential.

The sheer size of, and the diversity of tastes in, the Indian market make it one of the toughest to conquer. Catering to such varied demands will require not only a very accurate and sensitive forecasting model, but also an equally versatile manufacturing set-up in attendance. For such a presence to be established, smart investment is needed.

Currently, planning and forecasting leave much to be desired. Retailers must plan three to four month in advance for their seasonal offering. Retailers and brands must interact to plan the entire range. Retailers must educate the brands on stocking, fast movers, slow movers, and new market developments.

On the other hand, brands should share with retailers their strategies for future development, advertising campaigns, changes in distribution channels, and other related issues. If these two synergize, the supply chain will improve and availability will be easier.

The supply chain needs to be shortened in India. A typical fashion trend in apparel lasts from three months to two years, and, therefore, the time span for delivering fashion is very short. Considering the supply chain in detail, we find characteristic lacuna in garment manufacturing as well as in the retail sector. The former is hampered by fragmentation, low technology absorption and lack of diversity in exports. This is further amplified in retail.

Thus, positive changes in inventory plug, sales forecasting, manufacturing strategy and distribution network are absolutely imperative. Also, with the advent of IT-based supply chain, India can expect a new retailing business model very soon.

(Source: IMAGES Yearbook 2007 Volume IV No 1)

BUSINESS OF OUR COMPANY

Overview

We were incorporated in the year 1992 and are presently providing fashion fabrics and meeting ready to wear requirements of our customers in apparel, textile and Retail segment.

We started our business from trading in textile and since 1998, we are conceptualising and designing fashion fabrics and outsourcing the manufacturing process of the same from countries like Turkey, Portugal, Mauritius and other European Countries. In the same year, we launched our seasonal fabric collections in textile under the name "Bodywaves", marketed through our own distribution channel to different brands and retailers.

We have ventured into ready-to-wear mens' segment in 2000 by outsourcing manufacturing process with our experience in designing fabrics and in turn selling to various international brands. We launched ready-to-wear mens' garnments under our brand name "Thomas Scott" in 2002. We started our own first apparels manufacturing unit in Bangalore in the year 2005 in the name of Reunion Clothing Company with an installed capacity of 350,000 pieces per annum and in the year 2006 we started our second manufacturing unit in the name of Formal Clothing Company with an installed capacity of 360,000 pieces per annum. At present we have installed capacity of 720,000 and 540,000 pieces per annum at our Reunion Clothing Company and Formal Clothing Company. Our products are presently retailed through 157 point of sales comprises of our own Retail outlets, Large format stores (LFS) like Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA and Multi Brand Outlets (MBO) spread all over India. We cater to the demand of various other apparel manufacturer and brands also.

We have centralised warehousing and logistic centre at Kalher Village near Bhiwandi to facilitate our supply chain management of our business.

Our Strengths:

Existing Brand

We have introduced "Thomas Scott" brand in the year 2002 with an objective of tapping the branded apparels for men's wear segment. At present, we are selling our brand through our Retail outlets, Large Format Stores (LFS) and Multi Brand Outlets (MBOs) across the country. "Thomas Scott" brand contributed Rs. 52.48 millions and Rs. 105.05 millions during 6 months period ended September 30, 2007 and FY 2006-07 respectively in the total garment sales of our Company aggregating to Rs. 223.74 millions and Rs. 356.59 millions. Out of this, domestic sales contributed 79.71% and exports contributed 20.29%. During FY 2006-07, domestic sales contributed 60.69% and exports contributed 39.31%.

Retail Outlets

We have our twelve Retail outlets including three franchise which are established under the brand name "Thomas Scott" Retail outlet. Our own Retail outlets with the same look and feel give us flexibility in displaying our merchandise. These Retail outlets are located at Mumbai, Navi Mumbai, Rajkot, Surat, Gurgaon, Bangalore (3 stores), Kolkata, Thane, New Delhi and Ahmedabad.

In-house designing capabilities

We have a dedicated design team, responsible for the continuous development of new and innovative designs and fashion. We have installed Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) software in the year 2002 for quality textile designing. We understand fashion through ongoing learning process, visiting different fairs, and analysing trends and forecast reports and going through international magazines.

Existing Distribution network

We sell our fashion fabric through our in house marketing team and distributors on regular and ongoing basis to our various clients in garments segment. We market apparel products through Multi-Brand Outlets and Large Format Stores at different locations across India. We also sell our products through our own Retail outlets. The distribution system is supported by our logistics and warehousing system.

Information technology systems

Our office processes are computerized which support procurement, supply chain logistics, distribution centres management and store operations including inventory management and billing. Different functions of our Company are connected with each other through an Enterprise Resource Planning (ERP). Through integration with the web based ERP, there is no duplication of data entry at any level. With the help of integration of textile ERP, apparel ERP and retail application, our Company is able to track our daily sales style-wise at all of our Retail outlets, and also compare the stock positions at various locations.

Our Strategy:

Expansion of manufacturing facilities

We propose to expand our manufacturing capacities in garments by installing new manufacturing unit, which will help us cater to both men and women and in casual and formal categories apparel like shirts and trousers. We propose to establish the said facility at Bangalore with total installed capacity of 600,000 pieces per month.

Expansion of Retail outlets

We propose to expand our reach to the final consumer by increasing the network of our existing Retail outlets from 12 to additional 88 Retail outlets including franchisees spread all over India.

Expansion of Product range

We propose to expand into other categories like woman wear in casual and formal categories. We have applied for "Miss Scott" for registration as our brand for women's apparel. For details please refer to section titled "Government and Other Approvals appearing on page no. 144. We also propose to offer more lifestyle products under our own brands along with accessories namely sunglasses, belts, time wear, fashion jewellery and fragrances through these stores.

Strengthening our brand

We intend to position our brand in the market through communication and promotional initiatives such as advertisements in print media, hoardings, televisions, organizing events, participation in industry events, public relations and investor relations efforts. We have entered into an agreement with Mr. Manish Malhotra, fashion designer for advertisement, promotion, marketing and endorsement of our products. For details, please refer to paragraph "Brand Building Agreement" appearing on page no. 80 of the Prospectus.

Logistics and warehousing facilities

We propose to establish warehouses at various locations to facilitate efficient supply chain management for our Retail operations across India. We also intend to provide warehousing and logistic facilities for the retailers in fashion and lifestyle products. Warehousing and logistic facilities involve integration of information, inventory management, warehousing, material handling, packing and transportation.

Our Business Segments

We operate in two business segments namely:

- Textile Business
- Garment Business

Textile Business:

Our Company started business of trading in textiles in the year 1992, and since 1998 we are conceptualising and designing fashion fabrics and outsourcing the manufacturing process of the same from countries like Turkey, Portugal, Mauritius and other European Countries. These fabrics then supplied to the retailers and apparel manufacturers. In the same year, we launched our seasonal fabric collections in textile under the name "Bodywaves", marketed through our own distribution channel to different brands and retailers. We have an in-house design team focusing on understanding the current trends and forecasting the trend movement. We have installed Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) software in the year 2002 for quality textile designing. Our designers visit several trade fair and trend forecasting fashion fairs on a regular basis to identify fashion trends much ahead of the season.

We are supplying our fashion fabrics to the apparel, manufacturers, whole sellers and retailers in the Indian market.

At present textile business is contributing 57.10% in the total income during six months period ended September 30, 2007. The contribution of textile business in our total income during last three years in our Company is as under:

(Rs in millions)

Particulars	April, 2007 to September 30, 2007	2006-07	2005-2006	2004-2005
Export sales (Textile business)	4.76	Nil	1.55	4.7
Local sales (Textile business)	313.67	362.09	234.33	111.98
Total Income from textile business	318.43	362.09	235.88	116.68
Total Income	**557.69**	**732.77**	**392.05**	**170.27**
% of Total Income	**57.10**	**49.41**	**60.17**	**68.53**

Garments business:

With our experience in designed fabrics, we ventured into ready-to-wear mens's wear segment in 2002 and launched our brand "Thomas Scott" with our designed casual and formal men's wear shirts and trousers. We initially outsourced our manufacturing process from various manufacturers by giving them the required garment design to be made on the fabrics sourced by us. We have set up our first manufacturing unit in the name of Reunion Clothing Company in 2005 with an installed capacity of 3,50,000 pieces per annum at Bangalore and in the year 2006, we have set up another unit in the name of Formal Clothing Company with an installed capacity of 3,60,000 pieces per annum. As on September 30, 2007 we have installed capacity of 45,000 pieces per month (5,40,000 pieces per annum) at Formal Clothing Company and 60,000 pieces per month (7,20,000 pieces per annum) at Reunion Clothing Company. The increase in installed capacity at Reunion Clothing Company was mainly on account of change in production line and addition of capital equipments for faster production. We are partly getting our production from job working facilities where the quality control measures are taken and the process is refined as per our requirements. We also cater to the demand of various other apparel manufacturer and brands in the mens' wear segment.

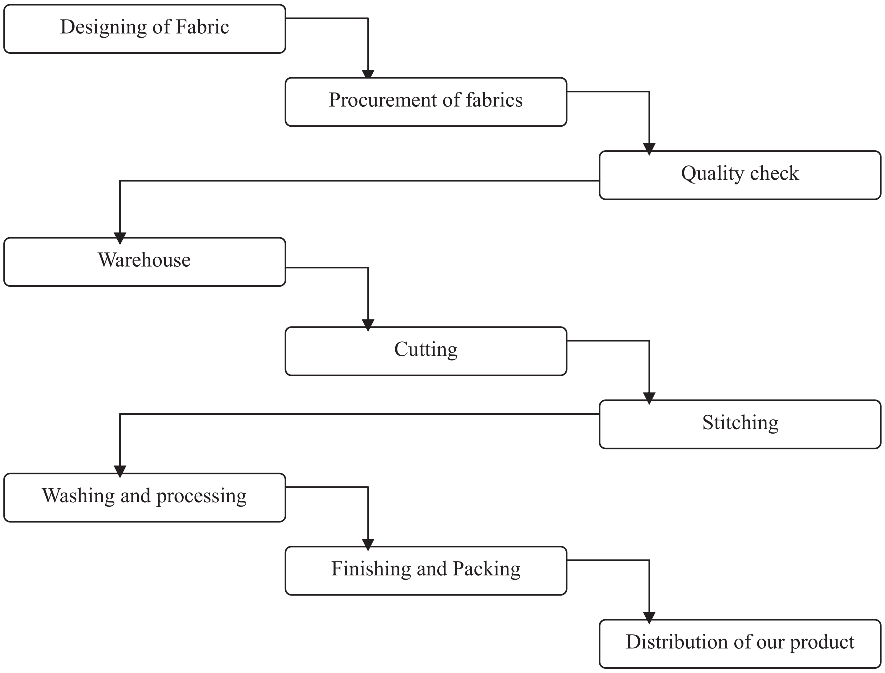
The garment business has contributed 40.12% in total sales for the period from April 1, 2007 to September 30, 2007. The contribution of garment business in our total income during last three years in our Company is as under:

(Rs. In millions)

Particulars	April 2007 to September 2007	2006-07	2005-2006	2004-2005
Export sales (garment business)	110.96	168.72	63.44	9.77
Local sales (garment business)	112.78	186.87	86.98	42.4
Total Sales from garment business	223.74	356.59	150.42	52.17
Total Income	**557.69**	**732.7**	**392.05**	**170.27**
% of total income	**40.12**	**48.66**	**38.37**	**30.63**

We have already started 12 Retail outlets for sale of "Thomas Scott" out of which we have 9 company operated outlets and 3 are franchisee operated outlet. We propose to establish additional stores out of which 41 stores would be company operated and remaining 47 stores would be and franchisee operated.

Process flow in our business



Designing

Over the years we have developed the skills to forecast the trends, fashion and conceptualize the design of fabrics and apparel, assisted with Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) technology. These help us to offer new product range to the prospective buyers of our products and add value to the customer specifications. We have a dedicated design team, responsible for the continuous development of new and innovative designs and fashion. We understand fashion through ongoing learning process, visiting different fairs, and analysing trends and forecast reports and going through international magazines. Our fabrics designer, apparel designers and marketing teams once ready, after mutual consultations, start finalising the collection first for the fabrics and then subsequently for the garments. Our designers also receive regular feedback from our marketing teams based on their interaction with our clients.

Our ability to keep abreast of the changing fashion trends enabled us to showcase our capabilities and to understand our buyers' requirements. Being an apparel manufacturer, tracking the changing fashion trends across different geographies for various end customers is critical for our success. The apparel trade runs on four basic seasons. We try to introduce our product at least 12-16 months before the start of season, which is shown to the customer and based on their first feedback it is further evolved and represented with perfection and then in turn it is sent to outsourcing companies for the further process development. Once this process is through and the entire collection is ready it goes for the final production and the shipments and deliveries or for conversion into the garments.

Procurement of fabrics

The responsibility of sourcing division is not only to outsource the goods as per the required quality standards but also to keep the new sources ready. The team also keeps on getting feedback from the suppliers. Once the collection of fabrics is finalised, the required order is placed to the various manufacturing units for the fabrics by setting up the quality standards. The purchase department issues the purchase order and also issues required finance to ensure smooth shipments of required fabrics.

Quality check

Quality is an ongoing process and this is ensured right from the developments stage wherein we set the perquisite standards for various fabrics. The same is followed during the manufacturing process very closely in terms of the basic raw material, machinery used and finishing. As soon as the goods are received in Mumbai they are put to quality inspection. The quality standards are maintained so as to ensure quality product to the final consumer. The fabric and the other raw material needed is synchronised so that there is no delay in the production of apparels.

The material that is received is checked using the 4 point grading system i.e. shading meters within the roll, hole, soil and fabric defect. If the same does not adhere to the quality standard laid by the production and design department, the fabric is rejected. Every meter of cloth is checked before processing and converted to standard size for easy transportation and packing. Each fabric sample is sent to laboratories for quality standards, tears, and colour fastness.

Warehouse

All the material received at our central warehouse near Bhiwandi close to Mumbai is entered as per the required prerequisites. Based on the requirements of the marketing department, the required fabrics are segregated into two parts i.e. for selling as textile in the market or for use in the manufacturing unit. These are then packed as per the standard in order to avoid any damages to the fabrics and ensuring safe deliveries to end user. The warehouse is prepared with logistics and system supports.

Garments manufacturing:

Cutting

After the fabric is checked, it moves into the cutting department. Cutting being an integral part of apparel manufacturing, various automatic-layering machines, power cutting machines and end cutters are used to ensure quality standards. Our production department ensures that there is optimum usage of the fabric and thus the wastage is minimized. We have also installed CAD, plotters which provide optimization in fabric usage, by giving an efficient and accurate diagrammatic representation of the designs, on the paper, to match the size of fabric to be set up for cutting. The cutting process comprises of fabric spreading, pattern marking, panel cutting, matching and relaying, fusing, numbering and bundling.

Stitching

Preparation of parts is the process of operations where the different parts of the garment is manufactured using the appropriate sewing machines; productions on sewing machines are carried out in the batches and in the line assembly system. After the cutting and bundling, the fabrics are issued to various lines based on the system. Once the different parts are ready the next process is to assemble those parts to form the garment. We send some portion of the full fabric as well as the cut fabric to the outsourced manufacturing facilities for getting the garments stitched as per designs on job work basis.

Washing and processing

We do not have a washing and processing plant in both of our manufacturing units and are dependent on washing units for this process. Washing is an integral part in treating the garment. It gives a different look and feel to the fabric. Washing involves carrying out various chemical processes on the apparel. The various processes include bleaching (colour removal), stone wash, sand blasting, acid washing, fraying, surface painting and screen printing, dry cleaning, etc. Constant textile handling and processing leads to dull appearance of the apparel machine designed to clean laundry for different washes as required for the customer for the finishing and presentation of the garment.

Finishing and Packing

Immediately after the washing and processing is over, the garments are given the finishing touch by removing the excess thread, removing the wrinkles, ironing and packing. Other processes such as tagging, attaching bar code labels; price labels etc. are undertaken at this stage.

After finishing of the apparel, it is ready to be packed and dispatched. Our Company uses the doubled layered packing to ensure that apparels reach the stores as crisp and well ironed as they have left the finishing process. The apparels are housed at respective warehouses from where they are dispatched as per requirements.

Delivery

On confirmation of order, raw materials - fabrics/accessories are delivered to the production site from the warehouse, production manager ensure the availability of capacities for meeting buyers' requirement. A team of production coordinators ensure the smooth functioning of the production, adherence to delivery schedules and keep coordination between the factory and the merchandising team. Each factory has a quality manager, who ensures the quality of product as per the standard framed by the Company. On completion of production, the goods are delivered to the desired location of buyers. Shipment details of the consignment & documents are forwarded to the buyer immediately.

Distribution of our product

Textile

We sell our fashion fabric through our in house marketing team and distributors on regular and ongoing basis to various customers in garments, apparels and Retails. They are other brands, apparel manufacturers, wholesalers, distributors and direct retailers.

Our fabric collections in textile are presented under the name "Bodywaves". We present this collection to various customers about 10-12 month prior to the season. We have launched several collections based on the season to season trend and forecast, over these years.

Garment

"Thomas Scott" Brand products are retailed through 157 point of sales comprises of our nine own Retail outlets, one franchisee, various Large format stores (LFS) like Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA and Multi Brand Outlets (MBO) spread all over India. We also export "Thomas Scott" shirts to UAE. We also cater to the demand of various other apparel manufacturer and brands.

Our Outlets:

We have started 10 outlets in the name of "Thomas Scott" outlets in 8 cities. Out of the 12 outlets 9 outlets are company operated model and 3 outlets are franchisee operated model. We intend to expand our Retail outlet by setting up 88 additional Retail outlets across India, out of which 50 will be our company operated and 50 will be on franchisee operated model. Presently, we are selling shirts, trousers and denim wear from our Retail outlets and we propose to sell entire range of men's, women's fashion wear and fashion accessories i.e. ties, socks, handkerchiefs, belts, wallets, sunglasses, bags, caps, etc. under the various brands. The sizes of the outlets range would be 600 sq. ft. to 1000 sq. ft. of carpet area depending upon availability of space. The list of our existing outlets in as under:

Sr. No.	City	Location	Area (sq. ft.)
1	Mumbai	Heera Panna	440
2	Rajkot	Iscon Mall	780
3	Gurgaon	MGF	1464
4	Ahmedabad	Iscon Mega Mall	1215 (900)
5	Bangalore	Vaswani Matrix, Brookfield	1353
6	Bangalore	Jumbo Saver, Kormangala	985
7	Bangalore	Radhakrishna, Benergetta	1500
8	Kolkata	Camac Street	500
9	Surat	Iscon Prozone Mall	820
10	Thane	Gokhale Road	740
11	New Delhi	Rajouri Garden Main Market	560
12	Navi Mumbai	Narul	670

Large Format Stores (LFS):

These are the various departmental stores such as Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA, etc. These chain stores allocate a specific space in their outlets for a particular brand on a 'shop-in-shop' basis.

The list of LFS where the products of the Company are currently selling is as follows:

Large Format Stores	City
Shoppers Stop	Mumbai Pune Delhi Kolkata Chennai Hyderabad Gurgaon

Pyramids	Mumbai Delhi (2) Pune (2) Ahmedabad Nagpur Ludhiana Jaipur Lucknow Jaipur
Globus	Mumbai Indore Delhi (2) Chennai (2)
SAGA	Mumbai Agra Goa (2) Udaipur Jaipur

Multi Brand Outlets (MBOs):

These are the various stores, which have a local presence. These stores are popular in the specific cities or towns and such stores have on display a wide variety of brands. We appoint MBOs through our dealers, who assure us the recovery from the MBOs. The sales under this format are either through consignment basis or through sales/return basis. The city-wise break-up of MBOs are given as under:

Cities	**Number of MBOs**
Mumbai	22
Delhi	23
Kolkata	9
Chennai	5
Ghaziabad	1
Ludhiana	1
Patiala	1
Bhubneshwar	3
Dinapur	2
Pondichery	1
Moradabad	1
Koimbatore	1
Cuttuck	1
Shilong	1
Pune	2
Aurangabad	1
Kolhapur	1

Cities	Number of MBOs
Bhopal	1
Indore	2
Ernakulam	1
Chochin	1
Bangalore	2
Jamshedpur	1
Surat	4
Rajkot	1
Baroda	1
Ahmedabad	3
Silvasa	1
Maigao	2
Panjim	2
Phonda	1
Jamnagar	1
Gurgaon	1
Ranchi	4
Gaya	1
Patna	1
Guwahati	2
Tinsukia	1
Hyderabad	3
Secunderabad	1
Vijaywada	1
Total	**115**

Our Brands"Thomas Scott"

We have launched our following brand in the name of "Thomas Scott" in the year 2002 for men's wear shirts. Our Company obtained registration of our trade mark "Thomas Scott" under Class 25 (for readymade garments, under garments and hosiery) under a Certificate of Registration dated June 2, 2007. Further, we have now applied for registration of our trade mark "Miss Scott" under class 25 with the Trade Mark Registry, Mumbai, details of which are appearing under section titled "Government and other approvals" beginning on page no. 144 of this Prospectus.

Our products:

Our products cater to the men's wear requirements of the upper middle segment. The range includes the following:

Shirts	• Formal • Semi - Formal • Casual • Party Wear
Trousers	• Formal • Semi- Formal • 3/4th • Cargo's • Capri
Denim wear	• Jeans • Jacket • Shirts

ERP System

Different divisions of our Company are connected with each other through an Enterprise Resource Planning (ERP). Through integration with the web based ERP, there is no duplication of data entry at any level. With the help of integration of apparel ERP and retail application, our Company is able to track our daily sales style-wise at all of our Retail outlets, and also compare the stock positions at various stores viz-a-viz stocks at Head Office. These are online linked with the stores, warehouse and the marketing office to get the real time data and based on that the corrective steps or refilling can be done. Also these modules are linked with merchandising and production to get the working in synchronised manner.

Manufacturing facilities

We have two manufacturing units known as Reunion Clothing Company (RCC) and Formal Clothing Company (FCC) located at Bangalore. The details of the same are given below:

Reunion Clothing Company consists of land admeasuring 2.39 acres is located at 51/1 and 1/1 Kallabalu Village, Jigani Hobli, Anekat Taluk, Bangalore. The total production capacity of this unit at present is 60,000 pieces per month.

Formal Clothing Compnay consists of land admeasuring 29,654 sq.ft. is located at Survey No. 19/2 Basapura Village, Begur Hobli Bangalore South Taluk, Bangalore - 560 068. The total production capacity of this unit at present is 45,000 pieces per month.

Manufacturing capacities

The existing installed and utilized capacities of our Company in the apparel segment are as under:

(in millions)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-2010
Installed Capacity						
RCC	Nil	0.35	0.54	0.72	0.72	0.72
FCC	Nil	Nil	0.36	0.54	0.54	0.54
New Unit	-	-	-	-	6.00	6.00
Total	**Nil**	**0.35**	**0.90**	**1.26**	**7.26**	**7.26**
Capacity Utilization						
RCC	Nil	0.12	0.43	0.65	0.65	0.65
FCC	Nil	Nil	0.11	0.38	0.49	0.49
New Unit	-	-	-	-	3.00	4.80
Total	**Nil**	**0.12**	**0.54**	**1.03**	**4.14**	**5.94**

Plant and Machinery

Our units have 372 machines comprising of Imported and Indigenous both. These machines are used for basic cutting, stitching/sewing machines and special operation machines such as sleeve placket pressing machine, collar turning and trimming machine, collar blocking machine and support equipments like boiler and dryers.

Infrastructural facilities

Raw Materials

For our textile operations, we import fabrics from various international textile mills located at Turkey, Portugal, Mauritius, and China. Our sourcing from the international markets enables us to procure fabric at a competitive price with the quality of international standards.

The major raw material for our garment / apparel operations is our in-house designed fabrics, whereas other raw material includes threads, buttons, interlinings and chemicals, which are available easily internationally and indigenously. Fabrics account for 90% of total raw material requirement. We import these raw materials as per requirement. We do not have long-term raw materials contracts with any of our principal suppliers. However, we maintain good relationships with our suppliers and have diversified our supplier base so as to avoid a disruption in supply. No single supplier or third-party producer accounts for a material portion of our purchases or business. Alternative competitive sources are available, and we do not anticipate difficulty in meeting our production requirements.

Power

We have made the necessary arrangements for supply of power. The Bangalore Electricity Supply Company Limited (BESCOM) has sanctioned the power supply of 250 KVA and 100 KVA to Reunion Clothing Company and Formal Clothing Company respectively. Alternatively, to ensure uninterrupted supply of power, we have installed DG set of 125 KVA and 100 KVA each at both these units.

Water

The total requirement of water for manufacturing and human consumption is 5000 ltrs per day and the same is procured through bore well installed at both the units.

Effluent Disposal

There are no effluents generated from the manufacturing process by both the units. However, approval has been obtained from Karnataka State Pollution Control Board for the operation of these units.

Human Resources

As on December 31, 2007 we have employed 792 employees at Reunion Clothing Company, Formal Clothing Company, Registered and Corporate Office, the details of which are as under:

Sr. No	Category of Employees	Corporate and Registered Office	Formal Clothing Company	Reunion Clothing Company	Total
1	Managerial	14	6	17	37
2	Officers	23	16	14	53
3	Supervisors	21	25	19	65
4	Technical	2	6	12	20
5	Skilled	2	185	133	320
6	Unskilled	10	108	179	297
	Total	**72**	**346**	**374**	**792**

Immovable Properties of our Company:

Our Company has two manufacturing units based near Bangalore, Karnataka.

Manufacturing Unit (Leasehold):

Unit	Location	Area (Sq. ft.)	Term of Lease	Lease Rent (per month)	Security Deposit (Rs. In millions)
Unit - I (Formal Clothing Company)	Village Panchayat Katha No. 145 and House list No. 145/1, 145/2 and 145/3, Survey no. 19/2 located at Basapura Begur Hobli, Bangalore South Taluk Bangalore 560068	29654	February 15, 2006 to February 28, 2015	Rs. 0.09	0.90

Manufacturing Unit (Freehold):

Unit	Address	Nature of Rights	Area (Acres)
Unit - II (Reunion Clothing Company)	51/1, Kllababu Village, Jigani Hobli, Anekal Taluk, Bangalore.	Ownership	2.39*

Note: Our Company has leased part of the above premises to Laguna Clothing Private Limited for commercial use for a period of 5 years w.e.f. November 8, 2005. Our Company is receiving an amount of Rs. 0.30 million per month as lease rental for this premises for a covered area of 20,000 sq.ft.

Warehouses (Godowns):

No	Address	Nature of Rights	Term of the Leave and License Agreement	License Fee/ Lease Rent (Rs. per month)	Area (Sq. ft.)
I	Rajlaxmi Commercial Complex, Unit Ö" 10/11/12/22/23/24, mane farm house, Kalher Bhiwandi.	Leave and License	3 years w.e.f. April 01, 2007	84,336 (Security Deposit of Rs. 166,038)	10,542
II	Rajlaxmi Commercial Complex at Kalher village, Agra road, Kalher gram panchayat, Taluka Bhiwandi, district, Thane.				
(i)	Gala BD-105	Leave and License	5 years w.e.f. March 15, 2007 to March 14, 2012	7,909 (Security Deposit of Rs. 23,728)	1861
(ii)	Gala BD-110	Leave and License	5 years w.e.f. March 15, 2007 to March 14, 2012	9,244 (Security Deposit of Rs. 27,732)	2175
(iii)	Gala BD- 104	Leave and License	5 years w.e.f. March 15, 2007 to March 14, 2012	7,425 (Security Deposit of Rs.22,274)	1747
(iv)	Gala BD- 109	Leave and License	5 years w.e.f. March 15, 2007 to March 14, 2012	8,759 Security Deposit of Rs.26,278)	2061
(v)	Gala BD-102/103/107	Leave and License	5 years w.e.f. March 1, 2007 to February 28, 2012	25,912 Security Deposit of Rs.77,737)	6097

Other Immovable Properties:

Premises	Address	Nature of Rights	Area (Sq. Ft.)
Registered Office	Masjid Manor Road, IInd floor, 16, Homy Modi Street, Fort, Mumbai 400023. India.	Leave and License for 11 months w.e.f. April 1, 2007	800
Corporate Office	144, Kewal Industrial Estate, Senapti Bapat Marg, Lower Parel (West), Mumbai.	Leave and License for 36 months w.e.f. December 1, 2006	775

Retail outlets of our Company

No.	Address of the Retail Outlet	Nature of Arrangement Proposed/Entered	Status of the Arrangement	Term of Arrangement (Renewable)	Super Area (Sq. ft.)
	Operational				
1	Iscon Prozone Mall, Icchanath Road, Opposite Rajhans Theatre, Surat.	Business Conducting	Business Conducting Agreement	3 years (commencing from the end of 60 days from the end of the Fit Out Period)	820 (Super built up area and 585 sq. ft. carpet area)
2	Iscon Mall, 150 Ring Road, Opposite Parijat Party Plot, Rajkot, Taluka City.	Business Conducting Agreement	Business Conducting Agreement	3 years from August 1, 2006	780
3	Shop No.107, Heera Panna Cooperative Housing Society Limited, Haji Ali, Mumbai 400026.	Leave and License	Possession with the Company	11 months (upto October, 31, 2007	440
4	Shop No. FF-01, First Floor, MGF Mega City Mall, Gurgaon, Haryana	Lease Agreement	Possession with the Company	3 years w.e.f. December 1, 2006.	1464.10
5	Plot No. 71, Scheme No. 51, Bodekdev, Makarban Vejalpur, Jodhpur Taluka, Ahmedabad.	Lease Agreement	Possession with the Company	3 years w.e.f February 3, 2007	1215 . (super built up)
6	4/1, Camac Street, ground floor, Kolkatta	Rental Basis	MOU	3 years w.e.f. January 11, 2007	700
7	Radhakrishna Towers, Lower Ground Floor, 648 Bannerghatta Road, Bilakahalli, Bangalore 560076.	Franchise Agreement with G&P Co.) Clothing	Possession with the Company	1 year w.e.f. April 10, 2007	1500

No.	Address of the Retail Outlet	Nature of Arrangement Proposed/Entered	Status of the Arrangement	Term of Arrangement (Renewable)	Super Area (Sq. ft.)
8	Vaswani Matix Mall, Kundalahalli, Hobli, Bangalore.	Leave and License Agreement	Possession with the Company	3 years w.e.f. March 19, 2007	901
9	Madivala Commercial Plaza, shop No. 14A, Ground Floor, Hosur Road, Bangalore.	Leave and License Agreement	Possession with the Company	3 years w.e.f. March 15, 2007	985
10	Shope No. 3, Dattatray Tower, Gokhale Road, Thane	Franchise Agreement	Possession with the Company	3 years w.e.f. October 12, 2007	740
11	145, Rajouri Garden Main Market, New Delhi - 110 024	Franchise Agreement	Possession with the Company	3 years w.e.f. October 3, 2007	560
12	7&8, Shreeji Seva, Plot No. 42, Sector 42, Opp. Seawood Railway Station, Nerul, Navi Mumbai	Letter of Intent	Possession with the Company	3 years	670

Our Intellectual Property

Trade Marks

Our Company obtained registration of our trade mark "Thomas Scott" under Class 18 (for leather and imitation of leather and goods made of animal skin, hides, trunks and travelling bags, umbrella, parasols and walking sticks, chips, hamess and saddlery) under a Certificate of Registration dated October 4, 2006. Our Company obtained registration of our trade mark "Thomas Scott" under Class 35 (for running of retail stores under our name) under a Certificate of Registration dated February 19, 2007.

Our Company obtained registration of our trade mark "Thomas Scott" under Class 25 (for readymade garments, under garments and hosiery) under a Certificate of Registration dated June 2, 2007. Further, we have now applied for registration of our trade mark "Miss Scott" under class 25 with the Trade Mark Registry, Mumbai.

Insurance:

We have insured our assets and stocks lying at our godowns through various insurance policies, details of which are as under:

Sr. No.	Policy Number	Name of the Insurance Company	Expiry Date	Sum Insured (Rs. In millions)	Premium (Rs. In millions)	Nature of Policy
1	121400/11/2007/1368	The Oriental Insurance Co. Ltd.	02/02/2008	100	0.318	Standard Fire and Special Perils Policy for stocks and godown
2	121400/48/2007/4276	The Oriental Insurance Co. Ltd.	04/02/2008	70	0.097	Burglary Policy for stock at godown

Sr. No.	Policy Number	Name of the Insurance Company	Expiry Date	Sum Insured (Rs. In millions)	Premium (Rs. In millions)	Nature of Policy
3	672301/11/07/12/ 00000316	The New India Assurance Co. Ltd.	02/06/2008	35.00	0.062	Fire and Special Perils on stocks at Hobli factory
4	672301/11/07/12/ 00000315	The New India Assurance Co. Ltd.	02/06/2008	75.5	0.134	Fire and Special Perils on building, plant and machinery and accessories at Hobli factory.
5	672301/46/07/ 0400000050	The New India Assurance Co. Ltd.	02/06/2008	2.20	0.002	Fire and Special Perils on Furniture and fixtures
6	071800/46/47/ /04/00000145	United India Insurance Company Limited	16/09/2008	1.30	0.002	Money in safe
7	071800/46/07/04/ 00000144	United India Insurance Company Limited	16/09/2008	62.85	0.035	Burglary
8	071800/48/07/ 07/00002151	United India Insurance Company Limited	16/09/2008	15.00	0.008	Money intransit Traditional
9.	071800/11/07/ 11/00000402	United India Insurance Company Limited	16/09/2008	62.85	0.1006	Standard Fire & Perils Policy
10.	071800/21/07/02 00000103	United India Insurance Company Limited	16/09/2008	40.00	0.064	Marine Cargo Open Policy
11.	718000700004	United India Insurance Company Limited	16/09/2008	10.00	0.019	Marine Cargo Open Cover
12.	071800/46/07/13/ 00000143	United India Insurance Company Limited	16/09/2008	1.00	0.006	Fideility
13.	672301/31/07/01/5365	The New India Assurance Company Limited	05/07/2008	0.365	0.009	Motor Car
14.	6723010700006	The New India Assurance Company Limited	07/08/2008	80.00	0.093	Marine Cargo Open Policy
15.	672301/11/07/ 11/0317	The New India Assurance Company Limited	02/06/2008	2.20	0.001	Earthquake (fire and shock)

Sr. No.	Policy Number	Name of the Insurance Company	Expiry Date	Sum Insured (Rs. In millions)	Premium (Rs. In millions)	Nature of Policy
16.	672301/21/06/02/54	The New India Assurance Company Limited	02/06/2008	35.00	0.029	Marine Cargo Open Policy
17.	672301/46/07/04/049	The New India Assurance Company Limited	02/06/2008	34.50	0.038	Burglary Policy for Stocks
18.	672301/48/07/01/0120	The New India Assurance Company Limited	02/06/2008	0.251	0.004	Laptops
19.	672301/48/07/07/0119	The New India Assurance Company Limited	02/06/2008	20.00	0.009	Cash Transit loss
20.	672301/46/07/04/050	The New India Assurance Company Limited	02/06/2008	2.20	0.002	Furniture & fixtures
21.	672301/11/07/12/0316	The New India Assurance Company Limited	02/06/2008	35.00	0.062	Fire and Special Perils on Stocks
22.	672301/21/07/ 02/0000037	The New India Assurance Company Limited	07/08/2008	30.00	0.024	Marine Cargo Open Policy
23.	672301/21/07/02/36	The New India Assurance Company Limited	07/08/2008	250.00	0.28	Marine Cargo Open Policy
	Total sum insured			**965.22**		

Competition

We operate in an industry which faces stiff competition from international as well as local brands. Our competition depends on several factors which include quality, price and most importantly our pace in keeping up with the changing trends in fashion industry. Our global operations help us to compete effectively by positioning us to take advantage of synergies in product design, development, manufacturing, sourcing and distribution of our products throughout these locations.

Competition emerges not only from the organized as well as the unorganized sector and from both small and big players. At the international level, we are in direct competition with companies having a low cost base. We are also in direct competition with the leading apparel and fabric manufacturers of India as well as the local brands. Our major competitors in India include Provogue (India) Limited, Koutons Retails India Limited, Kewal Kiran Clothing Limited, Trent Limited and Pantaloon Retail (India) Limited.

Export Obligation

We have imported capital goods under Export Promotion Capital Goods (EPCG) for which, we have export obligation of Rs. 79.11 millions, out of which Rs. 28.31 millions of the obligation has already been executed by November 30, 2007 and the outstanding export obligation is Rs. 50.80 millions. Further, we have export obligations to be fulfilled under advance licenses to the extent of Rs. 108.00 millions, details of which are as under:

License No.	Date	Export Obligation	Export Obligation fulfilled	Balance Export Obligation	Export Obligation to be completed before
Against EPCG Licenses :					
0730004243	15.06.2006	36.42	28.31	8.11	June 15, 2014
0730004231	13.06.2006	1.77	-	1.77	June 13, 2014
0730004520	29.08.2006	0.76	-	0.76	August 29, 2014
0730004523	29.08.2006	14.13	-	14.13	August 29, 2014
0730005179	22.01.2007	1.35	-	1.35	January 22, 2015
0730005418	21.03.2007	1.02	-	1.02	March 21, 2015
0730004796	02.11.2006	0.64	-	0.64	November 02, 2014
0730005733	22.06.2007	15.76	-	15.76	June 22, 2015
0730006048	05.09.2007	4.52	-	4.52	September 5, 2015
0730006176	08.10.2007	2.74	-	2.74	October 8, 2015
Total		**79.11**	**28.31**	**50.80**	
Against Advance Licenses:					
0310399664	15.09.2006	5.25	4.34	0.91	September 15, 2008
0710045800	29.06.2006	5.69	3.79	1.90	June 29, 2008
0710048811	04.12.2006	8.18	7.59	0.59	December 4, 2008
0710048870	06.12.2006	3.56	2.57	0.99	December 6, 2008
0710049430	08.01.2007	0.21	0.20	0.01	January 8, 2009
0710049431	08.01.2007	12.92	12.88	0.04	January 8, 2009
0710049517	10.01.2007	2.12	1.75	0.37	January 10, 2009
0710050740	20.03.2007	4.35	4.16	0.19	March 20, 2009
0710052282	03.07.2007	3.82	3.55	0.27	July 2, 2009
0710052656	31.07.2007	16.44	-	16.44	July 30, 2009
0710052855	13.08.2007	1.95	-	1.95	August 12, 2009
0710053261	10.09.2007	12.79	-	12.79	September 10, 2009
0710053264	10.09.2007	13.53	-	13.53	September 10, 2009
0710053298	12.09.2007	4.60	-	4.60	September 12, 2009
0710053532	26.09.2007	8.55	-	8.55	September 26, 2009
0710053828	15.10.2007	13.60	-	13.60	October 15, 2009
0710054191	29.10.2007	1.97	-	1.97	October 29, 2009
0710054466	13.11.2007	19.33	-	19.33	November 13, 2009
0710054573	21.11.2007	8.37	-	8.37	November 21, 2009
0710054574	21.11.2007	1.60	-	1.60	November 21, 2009
Total		**148.83**	**40.83**	**108.00**	
Total Export obligation		**227.94**	**69.14**	**158.80**	

Further, we are planning to import plant & machinery and equipments under EPCG scheme which would result in additional export obligation. The export obligations will have to be fulfilled within a period of 8 years.

Purchase of Property

Except as stated in section titled "Objects of the Issue" in this Prospectus, on page no. 24 of this Prospectus, there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of filing of this Prospectus with SEBI, other than property:

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or
- in respect of which the purchase money is not material.

Except as stated in the section titled "Related Party Transactions" on page no. 98 of this Prospectus, the Company has not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.

Total Indebtedness

The following is the details of our fund based limits:

Sr.no.	Bank/Types of credit facilities	Sanctioned Amount/rate of interest	Rate of Interest	Balance outstanding as on 31st December, 2007	Repayment Schedule	Securities offered
1.	ING Vysya Bank Limited - Cash Credit	Rs.100 millions	IVRR-2.50% (Presently 12.00%)	Rs. 42.33 millions	-	**1. Primary Securities:** Hypothecation of Entire Current Assets such as raw materials, stock in process, finished goods, book debts, spares and stores etc. **2. Collateral Securities:** Continuation of mortgage over land and building and hypothecation of plant and machinery, as hypothecated for term loan and continuing charge on the pledge of actively traded shares with a market value of Rs. 13.50 millions. 3. Personal guarantee of Mr. Venugopal Bang and Mr. Brijgopal Bang and corporate guarantee from Bang Data Forms Private Limited

Sr.no.	Bank/Types of credit facilities	Sanctioned Amount/rate of interest	Rate of Interest	Balance outstanding as on 31st December, 2007	Repayment Schedule	Securities offered
2	ING Vasya Bank Limited Term Loan	Rs. 35.50 million	IVRR-0.50% (presently 14.00%)	RS.28.30 Million	16 equal quarterly installment (repayment started March 2006)	**1. Primary Securities:** Exclusive charge by way of Equitable Mortgage of Land and Building and Hypothecation of Plant and machinery at survey no. 51/1 and 1/1 at Kallabali Village, Jigani Hobli, Aniket Taluka, Bangalore and hypothecation of plant & machinery both present and future of the Company located at Village Panchayat Katha no. 145 & house list no. 145/1, 145/2 and 145/3 located at Basapur Village, Begur Hobli, Bangalore. **2.Collateral Securities:** Extension of exclusive charge by way of hypothecation of entire current assets offered as primary security for working capital limits, continuing charge on the pledge of actively traded shares with a market value of Rs. 13.50 millions 3. Personal guarantee of Mr. Venugopal Bang and Mr. Brijgopal Bang and corporate guarantee from Bang Data Forms Private Limited.

REGULATIONS AND POLICIES

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India, the implementation of which is regulated by the FIPB.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals are required from the RBI for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval is required from the FIPB and/or the RBI.

National Textile Policy 2000

The Ministry of Textiles has formulated the National Textile Policy, 2000 ("Textile Policy") with the objective of enabling the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The Textile Policy envisages a multi-pronged strategy to achieve these long term goals. It contains sector specific agendas for sectors like cotton and wool/knitwear. For instance, it encourages collaborative research projects with the leading wool producing countries of the world, private breeding farms to increase productivity; and promotes private sector linkages for marketing of wool. It also encourages, among other things, establishment of pre-loom and post-loom processing facilities and integrated development programme for angora wool.

Trademarks

Trademarks have been defined by TRIPS as any sign, or any combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Such distinguishing marks constitute protect-able subject matter under TRIPS. TRIPS provides that initial registration and each renewal of registration shall be for a term of not less than ten years and the registration shall be renewable indefinity. Compulsory licensing of trademarks is not permitted. In light of the changes in trade and commercial practices, globalisation of trade, the need for simplification and harmonisation of trademark registration systems etc., the Indian Parliament undertook a comprehensive review of the Trade and Merchandise Marks Act, 1958 and replaced the same with the a new legislation viz. The Trade Marks Act, 1999. This Act makes trademarks law compatible with TRIPS and also harmonises it with international systems and practices.

Labour and Industrial Laws

We are required to comply with labour and industrial laws, including Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948. In addition the Company is also governed by the provisions of the Employees' Provident Funds Act, 1952 and the rules made thereunder and are accordingly required to make periodic contributions to the Employees' Provident Fund Scheme and the Employees' Pension Scheme as applicable. The Company is also required to make contributions under the Employees' State Insurance Act, 1948.

Environmental Laws

We are required to comply with various environmental legislations and relevant environmental consents have to be obtained under the Environment (Protection) Act 1985, the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules 1989, for the operation of our units situated at Banmgalore, Karnataka.

Standards of Weights and Measures Act, 1976

Our Company is required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

Shops and Establishments legislations in various states

Our Company is governed by the various Shops and Establishments legislations, as applicable, in the states where it "Thomas Scott" brand outlets. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Export Incentives

The following export incentives of the Government of India are applicable to the Company.

(i) Export Promotion Capital Goods (EPCG) Scheme

The EPCG Scheme facilitates import of capital goods at 5% concessional rate of duty with export obligation equivalent to 8 times of duty saved on capital goods imported under the Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of license.

(ii) Advance Licensing Scheme

The Advance License Scheme allows the Company to duty-free import of raw materials that are incorporated in its exported products. Standard input-output norms for about 300 textiles and clothing export products have been prescribed by the Indian Government.

(iii) Duty Exemption Pass Book (DEPB) Scheme

Under the DEPB scheme, the Company is entitled to apply for a credit, as a specified percentage of FOB value of its exports. DEPB credit rates have been prescribed for textiles and clothing products. The nomenclature and rates for DEPB entries pertaining to certain textile products have been rationalized.

(iv) Duty Drawback Scheme

Under the Duty Drawback Scheme, the Company would be entitled to a refund of the excise and import duty incurred on raw materials.

Human Resource Development:

The Indian Government has promoted the training of fashion professionals for the Indian textile sector. The National Institute of Fashion Technology (NIFT) which provides training to fashion designers and fashion technologists has seven branches at Delhi, Mumbai, Calcutta, Hyderabad, Bangalore, Chennai and Gandhinagar. The Ministry of Textiles has established a Nodal Centre for Upgradation of Textile Education at the Indian Institute of Technology, Delhi with funding from the Ministry of Textiles. The NIFT and the Apparel Training & Design Centres (ATDCs) are running various courses/ programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

The WTO 2005 Initiative

Protection of the textile and clothing sector has a long history in United States and Europe. In the 1950s, Japan, Hong Kong, China, India and Pakistan agreed to voluntary export restraints for cotton textile products to the United States. In 1962 a Long Term Agreement regarding International Trade in Cotton Textiles (LTA) was signed under the auspices of the GATT (replacing a 1-year short-term agreement). The LTA was renegotiated several times until it was replaced by the MFA, which extended restrictions on trade to wool and man-made fibres in addition to cotton. All quota restrictions have been removed with effect from January 1, 2005. This removal of world trade quota restrictions is expected to bring a change in the global apparel trade. Productivity, labour costs, quality and creativity will determine the business leaders in the textile industry. The removal of the quota system has created a level ground for all industry participants and has thereby provided an opportunity to the Company to establish itself in the global industry on the basis of its merit and innovation.

HISTORY AND OTHER CORPORATE MATTERS

We were incorporated in the year 1992 as Bang Overseas Private Limited and converted as Public Limited Company on February 4, 2005. We are presently providing fashion fabrics and meeting ready to wear requirements of our customers in apparel, textile and retail segment.

We started our business from trading in textile and since 1998, we are conceptualising and designing fashion fabrics and outsourcing the manufacturing process of the same from countries like Turkey, Portugal, Mauritius and other European Countries. In the same year, we launched our seasonal fabric collections in textile under the name "Bodywaves", marketed through our own distribution channel to different brands and retailers.

We have ventured into ready-to-wear mens' segment in 2000 by outsourcing manufacturing process with our experience in designing fabrics and in turn selling to various international brands. We launched ready-to-wear mens' garnments under our brand name "Thomas Scott" in 2002. We started our own first apparels manufacturing unit in Bangalore in the year 2005 in the name of Reunion Clothing Company with an installed capacity of 350,000 pieces per annum and in the year 2006 we started our second manufacturing unit in the name of Formal Clothing Company with an installed capacity of 360,000 pieces per annum. At present we have installed capacity of 720,000 and 540,000 pieces per annum at our Reunion Clothing Company and Formal Clothing Company. Our products are presently retailed through 157 point of sales comprises of our own Retail outlets, Large format stores (LFS) like Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA and Multi Brand Outlets (MBO) spread all over India. We also cater to the demand of various other apparel manufacturer and brands.

We have centralised warehousing and logistic centre at Kalher Village near Bhiwandi to facilitate our supply chain management of our business.

Events in the History of our Company

Year	Key Events
1992	Incorporated as a private limited company in the name of Bang Overseas Private Limited.
1995	Exports of garments.
1998	Implementation of Textile designing facilities.
2000	Started the Garment outsourcing Business.
2002	Implementation of Textile and Garment designing facilities using Computer Aided Design and Computer Aided Monitoring.
2002	Launched our men's wear brand in the name of "Thomas Scott".
2005	Establishment of garment manufacturing facility in Bangalore under the name of Reunion Clothing Company.
2005	Conversion from private limited company to public limited company
2006	Establishment of second Garment manufacturing facility in Bangalore under the name of Formal Clothing Company.
2006	Implementation of ERP system.
2006	Launch of Company's own Retail outlets

MAIN OBJECTS:

The main objects of the Company as stated in the Memorandum of Association are:

1. To carry on the business of importers, exporters, merchants, traders, buyers, sellers, dealers, stockists or in any other capacities in India or elsewhere and to import, export, buy, sell, trade and deal in goods, produce, articles and merchandise of any kind whatsoever.

1 (a) To carry on business of manufacturers, producers, processors, purchasers, sellers, retailers, distributors, importers, exporters and dealers in all kinds of readymade garments and fabric accessories and related items, shirting, suiting, trousers, jeans, textile goods, hosiery goods, elastic cloth, elastic tapes, knitted cloth, made to measure garment, tapestry, knit wear, ribbons, saree borders, woven labels, parachute strings, ties, collars, cuffs, scarves cells, and tinsel fabric and thread, underwear's, brassieres, dress materials, fashion accessories and to carry on the business of hosiers, clothiers, dress makers, costumers, dress agents, outfitters.

1 (b) To carry on the business as manufacturer, processors, exporter, importer, indenter and dealer in Yarn, Thread, Fabric, Made-ups, and Garments made from 100% Cotton, Man made Filament and Staple Fibres, Wool, Silk.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Changes in Memorandum of Association:

Date	Reason
January 20, 1997	Increase in Authorised Capital from Rs. 1 million to Rs. 1.50 million
January 17, 2000	Increase in Authorised Capital from Rs. 1.50 million to Rs. 5 million
February 4, 2005	Conversion from the Private Limited Company to public limited company.
March 22, 2005	Increase in Authorised Capital from Rs. 5 millions to Rs. 50 millions
December 20, 2006	Increase in Authorised Capital from Rs. 50 millions to Rs. 160 millions
April 10, 2007	Alteration of main objects of the Company

Subsidiary of our Company:

1. M/s Vedanta Creations Private Limited:

Date of Incorporation	14th August 2001
Registered office	50, Kewal Industrial Estate, S.B. Marg, Lower Parel (W), Mumbai - 400 013.
Nature of activities	Trading of cotton fabrics, cotton yarn and ready made garments.
Board of Directors	1. Mr. Venugopal Bang 2. Mr. Brijgopal Bang 3. Mr. Laxminivas Bang 4. Mr. Raghav Bang 5. Mr. Purshottam Bang

Shareholding pattern:

Sr. No.	Name of shareholders	No. of Shares	% of Shareholding
1	Bang Overseas Limited.	284700	99.98
2	Mr. Venugopal Bang	50	0.02
	Total	**284750**	**100.00**

Audited financial information:

(Rs. In millions)

Particulars	**2004-05**	**2005-06**	**2006-07**
Sales	38.69	136.21	253.85
Other Income	1.34*	0.20	0.31
Profit after Tax	6.03	7.02	39.62
Share Capital	0.50	0.50	2.85
Reserves & Surplus (excluding revaluation reserves)	6.92	13.93	54.68
Net Worth	7.41	14.43	57.53
Earning Per Share (Rs.)	120.52	140.33	139.13
Net Asset Value per share (Rs.)	148.19	288.63	202.02

* includes insurance claim received.

Holding Company

Our Company does not have any holding company as on the date of filing of this Prospectus.

Strategic Partners

Our Company has not entered into any strategic partnership with any person.

Shareholder Agreement

The shareholders of the Company have not entered into any Shareholders Agreement as on the date of the filing of this Prospectus.

Other Agreements:

Share Purchase Agreement

Pursuant to Share Purchase Agreement ("SPA") dated November 3, 2006 (SPA) entered by our Company, with shareholders of Vedanta Creations Private Limited, (a promoter group company) our Company had agreed to issue 751,740 equity shares of Rs.10/ each to the shareholders of Vedanta Creations Private Limited as a consideration of acquiring the shares of Vedanta Creations Private Limited from them. The exchange ratio for issue of shares in consideration of shares to be acquired by Vendanta Creations Private Limited was decided by Bhatter & Co., Chartered Accountant, 307, Tulsiani Chambers, Nariman Point, Mumbai - 400021. The exchange ratio was decided as 2.64 equity shares of our Company in exchange of each share of Vedanta Creations Private Limited. After swaping of these equity shares, Vedanta Creations Private Limited became a wholly owned subsidiary of our Company. Details of shareholders of Vedanta Creations Private Limited before it became subsidiary of our Company were as under:

Sr. No.	**Name of shareholder**	**Shares of Vedanta Creations Private Limited held (Pre-swap)**	**Share received from our Company (Post-swap)**
1	Balaram Bang	5000	13200
2	Brijgopal Bang	50000	132000
3	Girdhargopal Bang	5000	13200
4	Krishnakumar Bang	5000	13200
5	Laxminivas Bang	5000	13200
6	Narayandas Bang	5000	13200
7	Rangnath Bang	5000	13200
8	Ramkumar Bang	5000	13200
9	Rajgopal Bang	5000	13200
10	Ramanujdas Bang	5000	13200
11	Sampatkumar Bang	5000	13200

Sr. No.	Name of shareholder	Shares of Vedanta Creations Private Limited held Pre-swap	Share received from our Company (Post-swap)
12	Shridhar Bang	5000	13200
13	Varadhraj Bang	5000	13200
14	Venugopal Bang	105000	277200
15	Nandgopal Bang	5000	13200
16	Purushottam Bang	5000	13200
17	Sharad Kumar Bang	5000	13200
18	Raghavendra Bang	5000	13200
19	Arvindkumar Bang	5000	13200
20	Madhusudan Bang	5000	13200
21	Kamalnayan Bang	5000	13200
22	Bhavik Jayantilal Shah	5000	13200
23	Nehal S. Shah	5000	13200
24	Manish Kantilal Kapadia	5000	13200
25	Sonali Ashwin shah	10000	26400
26	Harshwardhan Bang	500	1320
27	Dwarkaprasad Sarda	1250	3300
28	Shobha Sarda	4000	10560
29	Ramkishore Sarda & Rajgopal Sarda	3000	7920
30	Sunitadevi Sarda	1000	2640
	Total	**284750**	**751740**

Strategic Partners

Our Company, as on date does not have any strategic partners.

Financial Partners

At present, Our Company does not have any financial partners.

Franchisee Agreement

We have entered into one franchise arrangement for our Bangalore Retail outlet. This franchisee agreement was entered between our Company and G&P Clothing Co., represented by Mr. Prakash Narwani as proprietor on April 2, 2007 for a period of one year with effect April 10, 2007.

The franchise agreements have similar terms and conditions, summary of which is as follows:

The day to day operations at the store would be managed by the Store Manager and other sales staff appointed by our Company. The responsibility for the stocks at the showroom (including pilferage) will be with the store management team appointed by our Company. Our Company shall arrange to send our products on consignment basis to the franchisee from time to time and will be free to supply products directly to dealers including those in town / cities in which the showroom / Retail outlet is situated. Our Company is required to obtain necessary insurance cover on the stocks.

Commission: As a consideration for obligation undertaken under the frachisee agreement, our Company shall pay to the Franchisee agent management commission of Rs. 53000/- (including night security and other maintenance of outer area and also cleanliness) or 15% whichever is higher of net sales value. Any levies, taxes and other outgoings levied by the State / Central Government, on the commission including any service tax shall be to the franchisee agent's account. The service tax would be paid by the franchisee directly to the authorities.

Termination: Franchisee cannot terminate the agreement for a period of 12 months and thereafter may terminate only in the event of the company failing to pay the commission for three consecutive months and futher failing to rectify the default despite being given one month's written notice to do so.

Brand Building Agreement

Sr. No.	Particulars	Details
1.	Date of Agreement	December 14, 2007
2.	Parties to the Agreement	Mr. Manish Malhotra, Fashion Designer (hereinafter referred to as "Model") and our Company
3.	Scope of Services	To provide such services in connection with the advertisement, promotion, marketing and endorsement of products.
4.	Exclusivity of Endorsement	The Model shall not authorize or permit others to authorize the use of his name or endorsement during the term of the agreement (except in case of his own personal name brand but which in any case to be only restricted to his own promotion not to the clients competitors promotion), in connection with the promotion, advertisement, marketing of the endorsed brand products, nor shall be publicly utilize or endorse any product competitive to the competitive products which have not been arranged by the client purusuant to the agreement.
5.	Term of the agreement	The Agreement shall commence on the signing of the agreement and shall remain valid and in force for the period of 24 months commencing from January 14, 2008 and ending January 14, 2010 and the cooling period of 3-4 months thereafter. This agreement may be renewed for a further period on mutually agreed terms and conditions.
6.	Termination	Both the parties have right to terminate by giving 30 days notice on non-fulfilment of respective obligations as per the agreement.

OUR MANAGEMENT

Board of Directors

The following table sets forth details regarding our Board of Directors as at the date of this Prospectus:

Name, Designation, DIN, Father's Name, Address, Occupation, and Nationality	Date of Appointment and Term	Age	Other Directorship
Mr. Venugopal Bang *Chairman* **DIN** - 00112410 S/o Mr. Balaram Bang **Address:** 122, Bang Bhavan Hindu Colony Lane No. 5 Sir Bhalchand Road, Dadar (W) Mumbai - 400 014 Industrialist Indian	June 01, 1992 Retirement by rotation	53	**Director:** Vedanta Creations Private Limited Bodywave Fashions (I) Private Limited Bang Data Forms Private Limited Ramkumar Venugopal Investment Private Limited **Partner:** M/s Ramchandar Shivnarayan M/s Ramkumar Venugopal M/s Shree Balaji Vanijya M/s Bang Vanijya
Mr. Brijgopal Bang *Managing Director* **DIN** - 00112203 S/o Mr. Balaram Bang **Address:** 9, Arun Building, 34 N. D. Road, Off Nepeansea Road Walkeshwar, Mumbai - 400 006 Industrialist Indian	June 01, 1992 Appointed as Managing Director w.e.f. December 1, 2006 for 5 years	39	Vedanta Creations Private Limited Bodywave Fashions (I) Private Limited
Mr. Viswanath Cheruvu *Independent Director* **DIN** - 01482802 S/o C. Tirupati Shastri **Address:** 1-3-176/4/c/15 Gandhinagar, Hyderabad Professional Indian	March 12, 2007 Retirement by rotation	53	**Partner** M/s Cheruvu & Associates
Dr. M. K. Sinha *Independent Director* **DIN** - 00011506 S/o Late M.P. Sinha **Address:** 1604, Orchid Vasant Valley Complex Film city Road, Malad (E) Mumbai - 400 097 Indian	March 12, 2007 Retirement by rotation	72	Animes & Plastieizers Limited Austral Coke & Projects Limited Jhaveri Flexo (India) Limited Prag Bosomi Synthetics Limited Radaan Media Works Limited First Winner Industries Limited

Name, Designation, DIN, Father's Name, Address, Occupation, and Nationality	Date of Appointment and Term	Age	Other Directorship
Mr. V.D. Ajgaonkar *Independent Director* **DIN** - 00065102 S/o Late D.B. Ajgaonkar **Address:** A-10, Aparna Veera Desai Road Andheri (West), Mumbai - 400 058 Professional Indian	February 4, 2005 Retirement by rotation	63	Fem Care Pharma Limited Fortress Financial Services Limited Fortress Capital Management Services Private Limited Jhaveri Flexo India Limited

Brief details about the Directors:

Mr. Venugopal Bang

For details, please refer to page no. 89 of this Prospectus.

Mr. Brijgopal Bang

For details, please refer to page no. 89 of this Prospectus.

Mr. Viswanath Cheruvu

Mr. Viswanath Cheruvu, aged 53 years, is a fellow member of the Institute of Chartered Accountants of India. He is a practising Chartered Accountant and partner in M/s. Cheruvu & Associates, Hyderabad. He has been practicing for over 25 years in the field of Taxation and Finance.

Dr. M. K. Sinha

Dr. M.K. Sinha, aged 72 years, 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 & organisational development, foreign exchange, fund management, financial restructuring etc. He was a representative of SBI for the East European countries at Moscow for almost 4 years. He was on the Board of seven associate banks of SBI while working with the SBI.

Mr. V.D. Ajgaonkar

Mr. V.D. Ajgaonkar, aged 63 years, 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 his resignation from 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.

Borrowings Powers of the Directors

The Shareholders in the Extra-Ordinary General Meeting held on April 10, 2007 have authorized the Board to borrow from time to time sum of money nothwithstanding that the money to be borrowed together with money already borrowed may exceed, the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount so borrowed in excesss of the aggregate of the paid up capital of the Company and its free reserves shall not at any time exceed Rs. 500 millions.

Terms and Conditions of Appointment of Managing Director and Whole-time Directors

Mr. Brijgopal Bang was appointed as Managing Director of our Company w.e.f. December 1, 2006 for a period of 5 years by the members of the Company in the Extra Ordinary General Meeting held on December 20, 2006. The terms of his appointement as approved in the EGM were as under:

Particulars	Remunerations
Salary*	In the range of Rs. 0.10 million to Rs. 0.20 million per month (Basic salary and annual increase therein to be decided by the Board of Directors within the above ceiling.
Special Allowances	As may be decided by the Board from time to time which shall not include provident fund, Gratuity, Super-Annuation fund etc.
Provident fund, Superannuation fund, Gratuity, Earned Leave	As per rule of the Company
Car	One car with Driver at Company's cost.
Telephone	Telephone, Fax and other communication facilities at his residence at Company's cost.
Club Fees	Maximum of 2 clubs fees.
Leave travel concession	For self and family subject to maximum of once in a year.
Medical Facilities	Suitable mediclaim policy for hospitalization for himself and family and reimbursement of all actual medical expenses for himself and family to the extent not reimbursed under Mediclaim Policy.
Reimbursement of Expenses	He shall also be entitled to reimbursement of all actual expenses or charges, including travel, entertainment and other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

* The present salary of Mr. Brijgopal Bang is Rs. 0.10 million as approved in the Board of Directors meeting held on January 22, 2007.

Remuneration paid to Non-Executive Independent Directors

Non executive independent directors are not entitled to any remuneration other than the sitting fees for attending meetings of the Board or any Committee meetings of the Company.

Corporate Governance

We have three independent directors, out of five Directors on the Board. The provisions of the listing agreement to be entered in to, with the stock exchanges with respect to corporate governance will be applicable to our Company immediately upon listing of our Company's equity shares on the stock exchanges. Our Company complied with SEBI Guidelines in respect of Corporate Governance specifically with reference to broad basing the board, including appointmenet of independent directors and constituting of committees such as Audit Committee, Remuneration Committee and Share Holders' / Investors' Grievances Committee. The primary aim being to adopt high standards of corporate governance in all areas including providing necessary disclosures within the framework of legal provisions with commitment to enhance shareholders' value vests with the Board of Directors.

Audit Committee

We have constituted an Audit Committee on March 12, 2007. Our Audit Committee currently comprises of the following members:

Sr. No.	Name	Designation
1	Mr. Viswanath Cheruvu, Non-Executive Independent Director	Chairman
2	Dr. M.K. Sinha, Non-Executive Independent Director	Member
3	Mr. V.D. Ajgaonkar, Non-Executive Independent Director	Member

The general objective of the audit committee is to establish a transparent and effective system of monitoring and control, to review annual plan of our Company, and any special examination by internal audit and implementation of internal audit recommendations, to review quarterly, half yearly and annual financial statement before submission to the board and to conduct limited review, together with coverage of scope of activity prescribed under 292A of Companies Act

1956. The audit committee also considers and reviews ethical adherence and corporate governance principles.

Scope of Functions of Audit Committee

1. Oversee the Company's financial reporting and the disclosure of its financial information to ensure that the financial data given are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the statutory auditors and the fixation of the audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval.
5. Discussion with internal auditors of any significant findings and follow-up there on.
6. Discussion with the Statutory Auditors before the audits commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
7. Carrying out such other function as may be specifically referred to the committee by the Board of Directors and/ or other committee(s) of Directors of the Company.

Remuneration Committee

We have constituted a remuneration committee on March 12, 2007. The remuneration committee currently comprises of following members:

Sr. No.	Name	Designation
1	Dr. M.K. Sinha, Non-Executive Independent Director	Chairman
2	Mr. V.D. Ajgaonkar, Non-Executive Independent Director	Member
3	Mr. Viswanath Cheruvu, Non-Executive Independent Director	Member

The general objective of the remuneration committee is to broadly review and approve remuneration packages for senior management personnel including the Managing Director and whole time directors.

Shareholders/Investors Grievances Committee

We have also constituted a Shareholders / Investors grievance committee on March 12, 2007. Our Shareholders/ Investors Grievances Committee currently comprises of the following members:

Sr. No.	Name	Designation
1	Mr. V.D. Ajgaonkar, Non-Executive Independent Director	Chairman
2	Mr. Viswanath Cheruvu, Non-Executive Independent Director	Member
3	Dr. M.K. Sinha, Non-Executive Independent Director	Member

The scope and function of this committee is to consider and review shareholders'/ investors' grievances and complaints and to ensure that all shareholders' / investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments.

Shareholding of Directors

As per the Articles of Association of the Company, the directors are not required to hold any qualification shares. Details of the shareholdings of our Directors in our Company as on the date of filing this Prospectus are given in the following table:

Name	No. of Shares	% of Pre-Issue Capital
Mr. Venugopal Bang	2,706,600	26.90%
Mr. Brijgopal Bang	1,521,000	15.12%
Dr. M. K. Sinha	Nil	Nil
Mr. Viswanath Cheruvu	Nil	Nil
Mr. V.D. Ajgaonkar	Nil	Nil

Interest of Directors

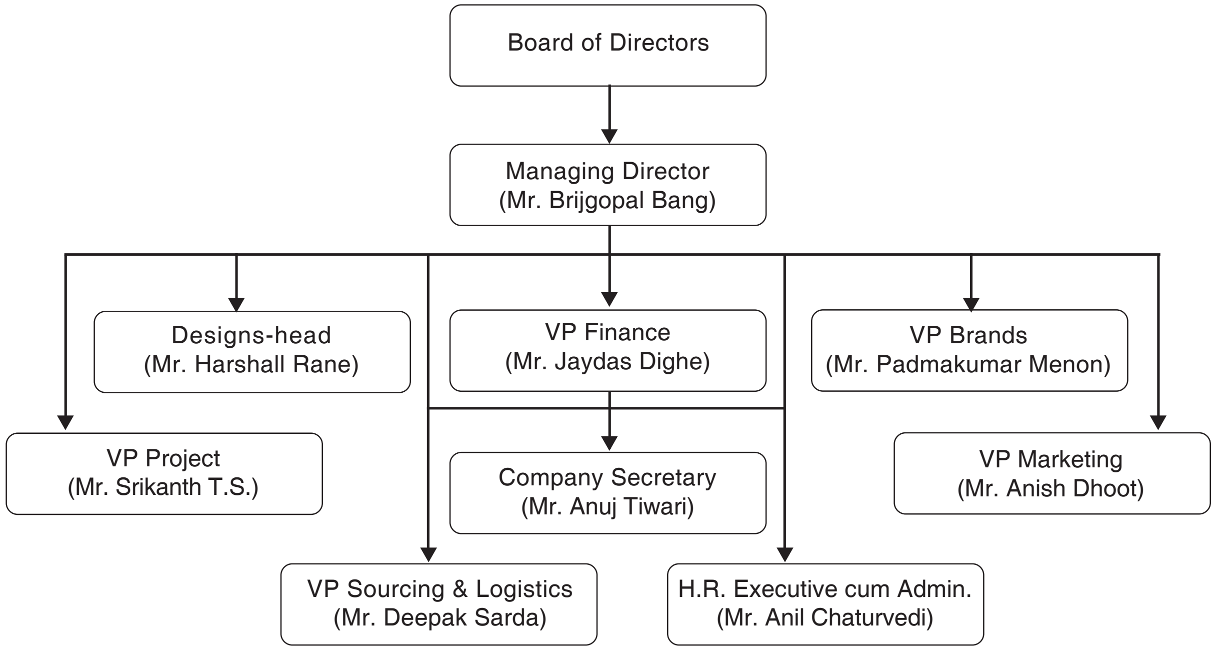
Except as stated in "Related Party Transactions" on page no. 98 of this Prospectus, and to the extent of shareholding in the Company, the directors do not have any other interest in the business. The directors are interested to the extent of shares allotted to them. Except to the extent of their compensation as mentioned on page no. 82 of this Prospectus, and their shareholding or shareholding of companies they represent, the Directors, other than the Promoters who are also Directors, do not have any other interest in the Company.

Changes in our Board of Directors during last three years

Name	Date of Appointment	Date of cessation	Reason
Mr. Vishwanath Cheruvu	March 12, 2007	NA	Apponted as independent director
Dr. M.K. Sinha	March 12, 2007	NA	Apponted as independent director
Mr. V.D. Ajgaonkar	February 4, 2005	NA	Apponted as independent director
Mr. Balaram Bang	January 4, 2005	March 12, 2007	Resigned
Mr. Ramkishore Sarda	February 4, 2005	March 12, 2007	Resigned

ORGANISATION STRUCTURE

The organization structure of our Company is given as follows:



KEY MANAGERIAL PERSONNEL:

Name of Key Person	Designation	Age (in years)	Date of joining	Qualification	Previous employment	Total experience	Remuneration during financial year 2006-07 (Rs. in million)
Mr. Harshal Vijay Rane	Head - Design	26	March 1, 2007	Diploma in Fashion Design and Diploma in Advanced Fashion Technoloy	India Fashions Limited	7	0.04
Mr. Jaydas Dighe	Vice President-Finance	35	July 6, 1998	B.Com	Zenith Rubber and Plastic Works	11	0.274
Mr. Padmakumar Menon	Vice President - Brands	36	January 10, 2002	B.Com, Diploma in Export management	Bombay Dyeing Limited	13	0.119
Mr. Srikanth T.S.	Vice President - Project	30	December 26, 2006	B.E.(Ind. Engg.and mgmt)	Sonal Garments	6	0.216

Name of Key Person	Designation	Age (in years)	Date of joining	Qualification	Previous employment	Total experience	Remuneration during financial year 2006-07 (Rs. in million)
Mr. Anish Dhoot	Vice President - Marketing	34	January 30, 2002	B.Com	Datamatics Limited	9	0.049
Mr. Deepak Sarda	Vice President - Sourcing & Logistics	50	February 12 , 2004	B.A.	Grasim Industries Limited	29	0.132
Mr. Anuj Tiwari	Company Secretary	32	May 15, 2007	B.Sc., LL.B. ACS	Shri Balkishan Agarwal Glass Industries Ltd.	1	-
Mr. Anil Chaturvedi	H.R. Executive cum Admin.	42	September 1, 2007	B.Com	Divine Polymer Products Limited	21	-

Details of Key Management personnel

Mr. Harshal Vijay Rane

Mr. Harshal Vijay Rane aged 26 years is Diploma holder in Fashion Design and in Advanced Fashion Technology from L.S. Raheja Technical Institute, Mumbai. He is Head - Design and is having experience of more than 7 years in fashion designing and had the experience of working in Kewal Kiran Clothing Limtied and India Fashions Limited. He has the experience of designing mens' and womens' apparels, trend forecasting, fabric and accessories sourcing, fabric development and collection development with colour grouping. Before joining our Company he worked with India Fashions Limited as Senior Designer.

Mr. Jaydas Dighe

Mr. Jaydas Dighe 35 years is having bacheolors degree in Commerce. He is Vice President (Finance) of our Company and is in charge of finance and accounting operations of our Company. He joined our Company in the year 1998. Mr. Dighe has 11 years of experience in finance and accounting. Prior to joining our Company he was employed with Zenith Rubber and Plastic works.

Mr. Padamkumar Menon

Mr. Padamkumar Menon, aged 36 years is a Commerce graduate from Mumbai University and has completed Diploma in Export Management from St. Xavier's Institute of Management. He is Vice President (Brand). He is in-charge of the brand *"Thomas Scott"* as a team leader. He has an experience of 13 years in the field of merchandising. Before joining our Company he worked with Bombay Dying and Mahindra & Mahindra as Merchandising Manager.

Mr. Srikanth T.S.

Mr. Srikanth aged 30 years is B.E. (Industrial Engineering & Management) from Bangalore University. He is Vice President (Project) and is responsible for project setup, maintenance, and utility management. He has experience of 6 years in setting up and implementation of projects in the textile sector.

Mr. Anish Dhoot

Mr. Anish Dhoot, aged 34 years is Commerce graduate from Amravati University, Maharashtra. He is Vice President (Marketing) and is looking after marketing operations of our Company in textile as well as garment business. He has joined our Company in 2002. He was earlier working with Datamatics Limited and has experience of 9 years.

Mr. Deepak Sarda

Mr. Deepak Sarda, aged 50 years has Bachelor of Arts degree from Mumbai University. He is Vice President (Logistic and Procurement). He has 29 years of experience in the field of marketing and purchase in various companies. Before joining our Company he worked with Grasim Industries Limited as Marketing Officer. .

Mr. Anuj Tiwari

Mr. Anuj Tiwari, aged 32 years is science and law graduate from Lucknow University. He is also associate member of the Institute of Company Secretaries of India. He is Company Secretary of our company and is looking after secretarial and legal work of our Company. Before joining our Company, he worked with Shri Balkishan Agarwal Glass Industries Limited as Company Secretary. He has experience of more than 1 ½ years in the field of legal and secretarial matters.

Mr. Anil Chaturvedi

Mr. Anil Chaturvedi, aged 42 years is commerce graduate from Agra University. He is H.R. Excutive-cum-Administration and is responsible for human resource management and administration of our Company. He has 21 years of experience, out of which he has handled human resource functions for the last 8 years. He has experience of working in Creative Publications Private Limited, Shri Mysore Dhoop & Agarbathi Factory (Bangalore), Polypro Fibril (India) Limited, Go Go International and Divine Polymer Products Limited.

All the above-mentioned key managerial personnel are permanent employees of our Company and are not related to each other or with promoters.

Shareholding of our Key Managerial Personnel in our Company

None of the key managerial personnel are holding any equity shares in our Company.

Bonus or Profit Sharing Plan for Our Key Managerial Personnel

There is no bonus or profit sharing plan with our key managerial personnel save and except the bonus paid under the Payment of Bonus Act, 1972 to the key managerial personnel.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this Prospectus in which the key managerial personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Changes in Key Managerial Personnel during the last one year

There have been no changes in the Key Managerial Personnel in our Company in the last 1 year except as stated below:

Sr. No.	Name of Key Person	Designation	Date of Appointment/	Resignation Reason thereof
1	Mr. Yashesh Desai	Vice President - Design	January 22, 2007	Appointed
2	Mr. Yashesh Desai	Vice President - Design	September 30, 2007	Resigned
3	Mr. Harshal Vijay Rane	Head - Design	March 1, 2007	Appointed
4	Mr. Sudhir Kadam	HR-Executive-cum-Administration	March 03, 2007	Appointed
5	Mr. Sudhir Kadam	HR-Executive-cum-Administration	July 31, 2007	Resigned
6	Mr. Anil Chaturvedi	HR-Executive-cum-Administration	September 1, 2007	Appointed
7	Mr. Anuj Tiwari	Company Secretary	May 15, 2007	Appointed

Other benefits to our Key Managerial Personnel

There is no other benefit payable to our Key Managerial Personnel other then listed above

Employees Share Purchase Scheme / Employee Stock Option Scheme

The Company does not have any stock option scheme or stock purchase scheme for its employees

OUR PROMOTERS

BACKGROUND OF THE PROMOTERS

Individual Promoters

	Passport No.: A3517472 PAN: AAVPB9852C Bank A/c No.: 10502010018940 (Oriental Bank of Commerce,Fort, Mumbai) Driving License No.: Not available Voter ID : Not available Mr. Venugopal Bang, aged 53 years is Commerce graduate and completed Chartered Accountancy course in the year 1981. He is the promoter and Chairman of our Company. He started his career by joining his own family business of trading of paper and jute products, and also into investment / trading of securities in the capital market. He promoted our Company in 1992 and since then involved in its operations.
	Passport No.: E4377266 PAN: AJSPB2163L Bank A/c No.: 0062000100325214 (Punjab National Bank, Fort, Mumbai) Driving License No.: DLFAP1057392007 Voter ID : Not available Mr. Brijgopal Bang, aged 39 years is a 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 our 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. With his 15 years of experience in textile & garment business, he introduced "Thomas Scott" brand and took initiatives to venture into retailing of our Company's apparel.

Mr. Brijgopal Bang and Mr. Venugopal Bang are brothers.

We undertake that the Permanent Account Number, Bank Account Number and Passport Number of the Promoters will be submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with these Stock Exchanges.

INTEREST OF PROMOTERS

Except as stated in "Related Party Transactions" on page no. 98 of this Prospectus, and to the extent of shareholding in the Company, the promoters do no have any other interest in the business. The promoters are interested to the extent of shares allotted to them. Except to the extent of their compensation as mentioned on page no. 82 of this Prospectus, and their shareholding or shareholding of companies they represent, the Promoters do not have any other interest in the Company.

OUR PROMOTER GROUP COMPANIES

FINANCIAL AND OTHER INFORMATION OF PROMOTER GROUP COMPANIES / PARTNERSHIP FIRMS

1. M/s Bodywave Fashions (India) Private Limited

Date of Incorporation	22nd October 1997
Registration Number	U51900MH1997PLC111466
Registered office	Masjid Manor, 2nd Floor, 16, Homi Modi Street, Fort, Mumbai - 400 023
Nature of activities	Trading of cotton fabrics
Board of Directors	1. Mr. Venugopal Bang 2. Mr. Brijgopal Bang 3. Mr. Krishna Kumar Bang

Shareholding pattern:

Sr. No.	Name of shareholders	No. of shares	% of Shareholding
1	Venugopal Bang	25000	50
2	Brijgopal Bang	25000	50
	Total	**50000**	**100**

Audited financial information:

(Rs. In Millions)

Particulars	2003-04	2004-05	2005-06
Sales	28.87	55.81	12.50
Other Income	0.53	0.01	0.04
Profit after Tax	0.33	3.14	0.21
Share Capital	0.50	0.50	0.50
Reserves & Surplus (excluding revaluation reserves)	6.03	9.17	9.38
Net Worth	6.53	9.67	9.88
Earning Per Share (Rs.)	6.69	62.71	4.14
Net Asset Value per share (Rs.)	130.06	193.37	197.51

The shares of Bodywave Fashions (India) Private Limited are not listed on any of the Stock Exchanges. It is not a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985, and is not subject to winding up proceedings. It has not made a public or rights issue of its shares in the preceding years.

2. M/s Bang Data Forms Private Limited

Date of Incorporation	19th July 1989
Registration No.	52672
Registered office	58, Bhuleshwar Road, Mumbai - 400 002
Nature of activities	Engaged in manufacture of continuous paper stationery
Board of Directors	1. Mr. Krishna Kumar Bang 2. Mr. Venugopal Bang 3. Mr. Varadraj Bang

Shareholding pattern

Sr. No.	Name of shareholders	No. of shares	% of Shareholding
1	Balaram Bang	50400	3.82
2	Saraswati Devi Bang	26200	1.98
3	Ramanujdas Bang	5000	0.38
4	Kantadevi Bang	22200	1.68
5	Arvind Bang	26200	1.98
6	Purshottam Bang	26200	1.98
7	Sridhar Bang	28300	2.14
8	Padmavati Soni	13000	0.98
9	Vishnukanta Baheti	15000	1.14
10	Ramankanta Partani	20000	1.52
11	Srikanta Laddha	20000	1.52
12	Ramkumar Bang	64700	4.90
13	Parwatidevi Bang	50200	3.80
14	Narayandas Bang	35000	2.65
15	Rekha Bang	31000	2.35
16	Kamalnayan Bang	35000	2.65
17	Krishnakumar Bang	41600	3.15
18	Madhusudan Bang	35000	2.65
19	Sita Bajaj	20000	1.52
20	Geeta Jakhotia	20000	1.52
21	Sampatkumar Bang	20000	1.52
22	Radhadevi Bang	31400	2.38
23	Venugopal Bang	36600	2.77
24	Tara Bang	35400	2.68
25	Nandgopal Bang	35400	2.68
26	Sobha Bang	29600	2.24
27	Rajgopal Bang	35400	2.68
28	Girdhar Bang	35400	2.68
29	Brijgopal Bang	45500	3.45
30	Anusuya Dhoot	20000	1.52
31	Madhu Maheshwari	20000	1.52
32	Rangnath Bang	64900	4.92
33	Pushpadevi Bang	49800	3.77
34	Varadraj Bang	50400	3.82
35	Vasudev Bang	50500	3.83
36	Laxminiwas Bang	70500	5.34
37	Pushpa Bang	44200	3.35
38	Gopibai Bang	10000	0.76
39	Satyanarayan Sarda	10000	0.76
40	Dwarka Prasad Sarda	10000	0.76
41	Ramkishore Sarda	10000	0.76
42	Rajgopal Sarda	10000	0.76
43	Shobha Devi Sarda	10000	0.76
	Total	**1320000**	**100.00**

Audited Financial information:

(Rs. In Millions)

Particulars	2004-05	2005-06	2006-07
Sales	222.30	297.70	522.93
Other Income	2.31	0.29	3.02
Profit after Tax	12.61	7.97	8.16
Share Capital	13.20	13.20	13.20
Reserves & Surplus (excluding revaluation reserves)	45.29	53.33	61.49
Net Worth	58.49	66.53	74.69
Earning Per Share (Rs.)	9.55	6.04	6.18
Net Asset Value per share (Rs.)	44.31	50.40	56.58

The shares of Bang Data Forms Private Limited are not listed on any of the Stock Exchanges. It is not a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985, and is not subject to winding up proceedings. It has not made a public or rights issue of its shares in the preceding years.

3. M/s Ramkumar Venugopal Investments Private Limited

Date of Incorporation	20th September 1999
Registration No.	121801
Registered office	58, Bhuleshwar Road, Mumbai - 400 002
Nature of activities	Dealing & trading in shares and other financial instruments
Board of Directors	1. Mr. Venugopal Bang 2. Mr. Krishnkumar Bang

Shareholding pattern:

Sr. No.	Name of shareholders	No.of Shares	% of Shareholding
1	Balaram Bang	4000	3.80
2	Laxminiwas Bang	4000	3.80
3	Rangnath Bang	4000	3.80
4	Narayandas Bang	4000	3.80
5	Varadraj Bang	4000	3.80
6	Rajgopal Bang	2000	1.95
7	Girdhargopal Bang	2000	1.95
8	Pushpadevi Bang	4000	3.80
9	Vandana Bang	2000	1.95
10	Parvatidevi Bang	4000	3.80
11	Taradevi Bang	2000	1.95
12	Shobha Bang	2000	1.95
13	Pushpadevi L. Bang	4000	3.99
14	Anuradha Bang	2000	1.95
15	Vimala Bang	2000	1.95
16	Saradkumar Bang	4000	3.80
17	Ramanujdas Bang	10000	9.98
18	Vasudev Bang	4000	3.80
19	Brijgopal Bang	4000	3.80
20	Saraswatidevi Bang	2000	1.95

Sr. No.	Name of shareholders	No.of Shares	% of Shareholding
21	Sridhar Bang	2000	1.95
22	Kantadevi Bang	2000	1.95
23	Ramkumar Bang	4000	3.80
24	Kamalnayan Bang	4000	3.80
25	Madhusudan Bang	4000	3.80
26	Rekha Bang	2000	1.95
27	Venugopal Bang	2100	2.00
28	Nandgopal Bang	2000	1.95
29	Krishnakumar Bang	4100	3.90
30	Radhadevi Bang	4000	3.80
31	Bajrang Trading Company	5000	4.75
	Total	**105200**	**100.00**

Audited Financial information:

(Rs. In Millions)

Particulars	2004-05	2005-06	2006-07
Sales	411.55	927.42	557.08
Other Income	5.93	(13.65)	(38.16)
Profit after Tax	18.74	28.65	(14.82)
Share Capital	1.00	1.00	1.05
Share Application	0.50	0.50	-
Reserves & Surplus (excluding revaluation reserves)	27.59	56.19	41.82
Net Worth	28.53	57.17	42.86
Earning Per Share (Rs.)	187.03	285.89	-
Net Asset Value per share (Rs.)	284.76	570.60	407.49

Note: Figures in bracket denote negative numbers.

The shares of Ramkumar Venugopal Investments Private Limited are not listed on any of the Stock Exchanges. It is not a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985, and is not subject to winding up proceedings. It has not made a public or rights issue of its shares in the preceding years.

4. M/s Ramchandar Shivanarayan (a partnership firm)

Date of Partnership	1 April 1992
Registered office	47, New Bardan Lane, Mumbai - 400 003
Nature of activities	Trading in Hessian cloth, jute canvass and HDP cloth
Name of partners	1. Ramkumar Bang 2. Balaram Bang 3. Rangnath Bang 4. Laxminiwas Bang 5. Ramanujdas Bang 6. Venugopal Bang

Profit/(Loss) Sharing ratio:

Sr. No.	Name of Partners	% ratio
1	Ramkumar Bang	20.00
2	Balaram Bang	10.00
3	Rangnath Bang	20.00
4	Laxminivas Bang	20.00
5	Ramanujdas Bang	20.00
6	Venugopal Bang	10.00
	Total	**100.00**

Audited Financial information:

(Rs. In Millions)

Particulars	2004-05	2005-06	2006-07
Sales	4.20	3.33	4.14
Profit after Tax	0.48	0.31	0.68
Partners Capital	2.89	3.55	1.53

5. M/s Ramkumar Venugopal (partnership firm)

Date of Partnership	1st April 1992 (reconstituted on April 1, 2002)
Registered office	58, Bhuleshwar Road, Mumbai - 400 002
Nature of activities	Dealing in shares, fabric and garment trading and rental business.
Name of partners	1. Ramkumar Bang 2. Balaram Bang 3. Rangnath Bang 4. Laxminiwas Bang 5. Venugopal Bang 6. Sridhar Bang

Profit/(Loss) Sharing ratio:

Sr. No.	Name of Partners	% ratio
1	Ramkumar Bang	20.00
2	Balaram Bang	10.00
3	Rangnath Bang	20.00
4	Laxminivas Bang	20.00
5	Venugopal Bang	10.00
6	Sridhar Bang	20.00
	Total	**100.00**

Audited Financial information:

(Rs. In Millions)

Particulars	2004-05	2005-06	2006-07
Sales & Income	1.89	4.57*	1.92
Profit after Tax	0.10	2.70	0.11
Partners Capital	(0.60)	2.55	4.26

** includes gain on sale of Bungalow / plot. Note: Figures in bracket denote negative numbers.*

6. Shree Balaji Vanijya (partnership firm)

Date of Partnership	1st April 1992 (reconstituted on April 1, 2002)
Registered office	47, New Bardan Lane, Mumbai - 400 003
Nature of activities	Commission agents and rental business
Name of partners	1. Ramkumar Bang 2. Balaram Bang 3. Rangnath Bang 4. Laxminiwas Bang 5. Venugopal Bang

Profit/(Loss) Sharing ratio:

Sr. No.	Name of Partners	% ratio
1	Ramkumar Bang	25.00
2	Balaram Bang	12.50
3	Rangnath Bang	25.00
4	Laxminivas Bang	25.00
5	Venugopal Bang	12.50
	Total	**100.00**

Audited Financial information:

(Rs. In Millions)

Particulars	2004-05	2005-06	2006-07
Income	1.41	0.92	0.80
Profit after Tax	0.16	0.14	0.12
Partners Capital	1.08	(1.41)	(2.65)

Note: Figures in bracket denote negative numbers.

7. **Bang Vanijya (partnership firm)**

Date of Partnership	01st April 1992 (reconstituted on April 1, 2002)
Registered office	58, Bhuleshwar Road, Mumbai - 400 002
Nature of activities	Commission agents and rental business
Name of partners	1. Ramkumar Bang 2. Balaram Bang 3. Rangnath Bang 4. Ramanujdas Bang 5. Venugopal Bang

Profit/(Loss) Sharing ratio:

Sr. No.	Name of Partners	% ratio
1	Ramkumar Bang	25.00
2	Balaram Bang	12.50
3	Rangnath Bang	25.00
4	Ramanujdas Bang	25.00
5	Venugopal Bang	12.50
	Total	**100.00**

Audited Financial information:

(Rs. In Millions)

Particulars	2004-05	2005-06	2006-07
Total Income	3.06	2.52	3.92
Profit after Tax	0.35	0.66	0.78
Partners Capital	4.69	0.23	3.73

Details of companies / firms from which promoters have disassociated

During last three years, our promoters have not disassociated themselves from any company/partnership firm.

Details of Promoter Group Companies whose names have been struck off from ROC

None of the companies promoted by our Promoters has been struck off as a defunct company by any ROC in India. There are no sick companies promoted by our Promoters. There are no BIFR proceedings against any company promoted by our Promoters.

Undertaking / confirmations

Our Promoters and promoter group companies / firms have confirmed that they have not been detained as wilful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our promoters or persons in control of bodies corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Common Pursuits

Except as stated in the "Related Party Transactions" appearing on page no. 98 of this Prospectus, promoters or any other promoter group companies / firms are interested to the extent of their shareholding for which they are entitled to receive dividend declared, if any by our Company. Further, our Promoters are also Directors of the Company, they are interested to the extent of their remuneration from our Company as disclosed under the section titled "Our Management" appearing on page no. 81 of this Prospectus.

There are no sales or purchases between our Company and any other promoter group companies / firms / subsidiary company exceeding 10% of the sales or purchases of our Company, except as disclosed under "Related Party Transactions" appearing on page no. 98 of this Prospectus and as under:

(Rs. In millions)

	6months period ended September 30, 2007	Year/Period ended				
		2006-07	**2005-06**	**2004-05**	**2003-04**	**2002-03**
Gross Sales of our Company	542.17	718.68	387.31	168.85	123.11	115.62
Sales made by our Company to:	-					
Bang Data Forms Private Limited	-	0.02	-	0.11	-	-
Bodywave Fashion (India) Private Limited	-	24.24	10.76	-	1.53	4.85
Vedanta Creations Private Limited	-	-	0.11	22.32	17.02	58.78
M/s Ram Kumar Venugopal	-	20.93	23.21	7.76	6.54	0.90
Total	**-**	**45.19**	**34.08**	**30.19**	**25.09**	**64.53**
%age of total sales	-	6.29	8.80	17.88	20.38	55.81

RELATED PARTY TRANSACTIONS

Details of Related Party Transactions

Information on Related Party Disclosures as per Accounting Standard 18 (AS-18) on Related Party Disclosures is given below:

	Related Parties	Nature of Relationship
(i)	**Key Management Personnel:**	
	Mr. Venugopal Bang	Chairman
	Mr. Brijgopal Bang	Managing Director
(ii)	**Relatives of Key Management Personnel**	
	Balaram Bang	Father of Mr. Venugopal Bang & Brijgopal Bang
	Girdhargopal Bang	Brother of Mr. Venugopal Bang & Brijgopal Bang
	Nandgopal Bang	Brother of Mr. Venugopal Bang & Brijgopal Bang
	Rajgopal Bang	Brother of Mr. Venugopal Bang & Brijgopal Bang
	Radhadevi Bang	Mother of Mr. Venugopal Bang & Brijgopal Bang
	Taradevi Bang	Wife of Mr. Brijgopal Bang
	Raghavendra Bang	Son of Mr. Venugopal Bang
(iii)	**Enterprise controlled or owned by Key Management personnel:**	
	M/s Bang Data Forms Pvt. Ltd. M/s Ramkumar Venugopal M/s Bodywave Fashions Pvt. Ltd. M/s Ramkumar Venugopal Investment Pvt. Ltd.	Companies/firm controlled or managed by key management Personnel Mr. Vengugopal Bang and/or Mr. Brijgopal Bang
	M/s Vedanta Creations Pvt. Ltd.	Subsidiary Company

Details of Related Party Transactions:

(i) Transaction with key management personnel:

(Rs. In millions)

Transactions/Year	30.09.07	31.03.07	31.03.06	31.03.05	30.03.04	31.03.03
Salary/Remuneration						
Brijgopal Bang	0.60	0.10	-	-	-	-
Unsecured Loans taken by company						
Venugopal Bang	2.43	17.77	30.42	32.36	26.95	15.93
Brijgopal Bang	0.59	0.25	0.85	2.50	-	-
Repayment of Unsecured Loans taken by company						
Venugopal Bang	10.25	35.40	12.16	24.77	27.96	29.64
Brijgopal Bang	0.60	0.10	1.09	0.09	0.04	0.01
Interest						
Venugopal Bang	0.56	2.08	2.37	0.35	-	0.89
Brijgopal Bang	0.55	1.00	0.93	0.81	0.59	0.43
Tax deducted at source						
Venugopal Bang	0.06	0.24	0.26	0.04	-	0.09
Brijgopal Bang	0.06	0.10	0.10	0.09	0.06	0.05
Closing balance of unsecured loans taken by company						
Venugopal Bang	5.21	12.53	28.32	7.95	0.05	1.06
Brijgopal Bang	9.68	9.20	8.15	7.56	4.43	3.94
Loans & Advances given						
Advance given to Mr. Brijgopal Bang	-	-	0.01	0.01	-	-
Sales	-	Nil	Nil	Nil	Nil	Nil
Purchase	-	Nil	Nil	Nil	Nil	Nil

(ii) Transactions with relatives of key management personnel:

(Rs. In millions)

Transactions/Year	30.09.07	31.03.07	31.03.06	31.03.05	30.03.04	31.03.03
Salary & Remuneration						
Raghavendra Bang	0.13	0.02	0.09	-	-	-
Unsecured loan taken by company						
Balaram Bang	0.80	14.27	7.04	3.79	0.94	4.04
Girdhargopal Bang	0.46	0.83	0.48	1.20	0.45	-
Nandgopal Bang	-	0.72	0.35	-	-	-
Rajgopal Bang	0.47	0.69	2.02	2.50	0.45	-
Radhadevi Bang	-	-	0.90	-	-	-
Taradevi Bang	-	-	1.11	-	-	-
Repayment of Unsecured loan taken by company						
Balaram Bang	8.80	4.00	4.00	6.62	1.32	6.06
Girdhargopal Bang	0.96	0.40	-	-	-	-
Nandgopal Bang	-	0.73	0.35	-	-	-

(Rs. In millions)

Transactions/Year	30.09.07	31.03.07	31.03.06	31.03.05	30.03.04	31.03.03
Rajgopal Bang	0.50	0.00				
Radhadevi Bang	0.00	-	-	-	-	-
Taradevi Bang	0.00	0.00				
Interest paid						
Balaram Bang	1.15	1.85	1.22	1.03	1.38	0.70
Girdhargopal Bang	0.16	0.32	0.25	0.10	-	-
Nandgopal Bang	-	0.04	-	-	-	-
Rajgopal Bang	0.40	0.66	0.40	0.09	-	-
Radhadevi Bang	0.11	0.21	0.13	0.11	0.09	0.06
Taradevi Bang	0.13	0.24	0.13	0.11	0.09	0.06
TDS						
Balaram Bang	0.13	0.21	0.14	0.11	0.14	0.07
Girdhargopal Bang	0.02	0.03	0.02	0.01	-	-
Nandgopal Bang	-	0.00	-	-	-	-
Rajgopal Bang	0.04	0.07	0.05	0.01	-	-
Radhadevi Bang	0.01	0.02	0.01	0.01	0.01	0.01
Taradevi Bang	0.01	0.02	0.01	0.01	0.01	0.01
Closing balance of Unsecured Loan taken by company						
Balaram Bang	16.62	23.60	11.69	7.57	9.48	8.62
Girdhargopal Bang	2.81	3.17	2.45	1.74	0.45	-
Nandgopal Bang	0.03	0.03	-	-	-	-
Rajgopal Bang	7.01	6.68	5.40	3.03	0.45	-
Radhadevi Bang	2.04	1.94	1.75	0.73	0.63	0.55
Taradevi Bang	2.30	2.18	1.96	0.73	0.63	0.55
Sales	-	Nil	Nil	Nil	Nil	Nil
Purchase	-	Nil	Nil	Nil	Nil	Nil

(iii) Transactions with company/firm controlled or managed by key management personnel:

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Salary & remuneration	Nil	Nil	Nil	Nil	Nil	Nil
Unsecured loans taken by company						
Bang Data Forms Pvt. Ltd.	18.00	26.50	26.50	6.05	6.00	6.29
Ramkumar Venugopal Investment Pvt. Ltd.	4.75	-	14.00	8.82	-	0.40
Repayment of unsecured loans taken by company						
Bang Data Forms Pvt. Ltd.	18.02	28.30	25.00	5.49	13.21	21.45
Bang Data Forms Pvt. Ltd.- Reimbursement of payment made on behalf of our company	-	-	-	-	-	-
Ramkumar Venugopal Investment Pvt. Ltd.	2.50	-	16.00	6.82	-	0.40
Interest paid						
Ramkumar Venugopal Investment Pvt. Ltd.	0.12	-	-	-	-	-
Bang Data Forms Pvt. Ltd.	-	-	0.41	-	0.43	1.61
Tax Deducted at Source						
Bang Data Forms Pvt. Ltd.	-	-	0.09	-	0.09	0.34
L.C. Commission (Net of TDS)	**-**	**-**	**-**	**-**	**-**	**-**
Ramkumar Venugopal Investment Pvt. Ltd.	0.02					
Bang Data Forms Pvt. Ltd.						
Closing balance of unsecured loans taken by company						
Bang Data Forms Pvt. Ltd. (Balance as on 31.03.04 was Rs. (-) 0.56 millions)	-	0.02	1.82	-	-	6.31
Ramkumar Venugopal Investment Pvt. Ltd.	2.35	-	-	2.00	-	-
Sales						
Bang Data Forms Pvt. Ltd.	-	0.02	-	0.11	-	-
Bodywave Fashions (I) Pvt. Ltd.	-	24.24	16.33	10.76	-	1.53
Vedanta Creations Pvt. Ltd.	-	-	0.69	0.11	22.32	17.02
M/s Ramkumar Venugopal	-	20.93	6.90	23.21	7.76	6.54
Purchases						
Bang Data Forms Pvt. Ltd.	0.18	0.52	0.02	6.92	8.27	0.01
Bodywave Fashions (I) Pvt. Ltd.	29.84	10.20	5.79	-	-	-
Vedanta Creations Pvt. Ltd.	0.08	6.32	6.06	-	-	1.81
Ramchandar Shivnarayan	0.08	0.18	-	-	-	-
Commission paid:						
Vedanta Creations Pvt .Ltd.	-	0.01	-	-	-	-

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board of Directors and the shareholders of the Company, in their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition. No dividends have been paid by our Company during the last five fiscal years.

SECTION V - FINANCIAL STATEMENTS OF THE COMPANY

The Board of Directors,
Bang Overseas Limited,
Mumbai.

We have examined the following financial information of Bang Overseas Limited ("the Company") on a stand-alone basis as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines"), as amended from time to time, in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications and in accordance with the terms of reference received from the company vide their letter dated 8th Feb 2007, requesting us to carryout the work, proposed to be included in the Red Herring Prospectus / Prospectus of the Company in connection with its proposed Initial Public Issue.

Annexure 1	:	Statement of Assets and Liabilities, restated as at 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003.
Annexure 2	:	Statement of Profit and Loss, restated for the period ended 30th September 2007, and for the year ended 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003.
Annexure 3	:	Significant Accounting Policies
Annexure 4	:	Notes on accounts
Annexure 5	:	Statement of Cash Flows for the period ended 30th September 2007 and for the year ended 2006-07, 2005-06, 2004-05, 2003-04, 2002-03.
Annexure 6	:	Statement of rate of Dividend for the last five years.
Annexure 7	:	Statement of other income
Annexure 8	:	Statement of Accounting Ratios.
Annexure 9	:	Capitalization Statement.
Annexure 10	:	Statement of Investment
Annexure 11	:	Statement showing Age-wise analysis of Sundry Debtors.
Annexure 12	:	Statement of Loans & Advances
Annexure 13	:	Statement of Secured and Unsecured Loans
Annexure 14	:	Tax Shelter Statement
Annexure 15	:	Statement of related party transactions.

Based on examination of the above statements with the respective audited financial statements and on the basis of information and explanations given to us, we report as under:

(i) The Statements referred to as Annexure 1 to 15 read with the respective Significant Policies and read together the notes thereon and after making such adjustments, regroupings and disclosers as were, in our opinion, appropriate and required have been prepared out of audited financial statements for the years.

(ii) We confirm the calculations of (a) Accounting ratios in Annexure 8; (b) Long-term Debt / Equity ratios mentioned in Annexure 9; and (c) Tax Shelter Statement in Annexure 14.

We confirm that all the significant accounting policies and notes to accounts have been disclosed herewith.

This report is intended solely for use for your information and for inclusion in the Red Herring Prospectus / Prospectus in connection with the Proposed Initial Public Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rajendra K. Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
Membership Number: 9939

Place: Mumbai
Date: 30th December 2007

Annexure - 1

Unconsolidated Statement of Assets and Liabilities as restated

(Rs. In millions)

As at	30.09.07	31.03.07	31.03.06	31.03.05	30.03.04	31.03.03
Fixed Assets						
Gross Block	144.89	127.90	81.30	8.23	5.45	4.10
Less : Accumulated Depreciation	18.06	13.31	6.80	3.16	2.32	1.86
Net Block (A)	**126.83**	**114.59**	**74.50**	**5.07**	**3.13**	**2.24**
Investments (B)	**8.78**	**8.78**	**1.26**	**1.26**	**1.26**	**1.26**
Current Assets, Loans & Advances (C)						
Inventories	180.22	126.70	111.49	56.64	47.85	44.47
Sundry Debtors	332.62	176.75	81.60	31.60	28.39	18.99
Cash & Bank Balance	41.91	11.34	10.39	3.04	4.17	3.34
Loans & Advances	83.55	70.30	20.82	38.15	11.14	6.37
Total (C)	**638.30**	**385.09**	**224.30**	**129.43**	**91.55**	**73.17**
Total Assets (A+B+C)	**773.91**	**508.46**	**300.06**	**135.76**	**95.94**	**76.67**
Liabilities and Provisions (D)						
Secured Loans	144.41	108.44	63.69	13.56	8.63	8.28
Unsecured Loans	155.14	137.01	118.75	57.11	41.08	37.09
Deferred Tax Liabilities	11.86	9.29	3.28	0.32	0.23	0.16
Current Liabilities & Provisions	239.83	116.67	48.95	21.10	23.14	11.28
Total (D)	**551.24**	**371.41**	**234.67**	**92.09**	**73.08**	**56.81**
Net Worth (A+B+C-D)	**222.67**	**137.05**	**65.39**	**43.67**	**22.86**	**19.86**
Represented by (E)						
1. Share Capital	100.60	98.00	25.01	25.00	2.81	2.80
2. Reserves & Surplus	135.49	48.43	40.38	18.67	20.05	17.06
Total (E)	**236.09**	**146.43**	**65.39**	**43.67**	**22.86**	**19.86**
Less: Miscellaneous Expenditure	(13.42)	(9.38)	-	-	-	
Net Worth	**222.67**	**137.05**	**65.39**	**43.67**	**22.86**	**19.86**

Note: Figures in bracket denote negative numbers.

Annexure - 2

Unconsolidated Statement of Profit & Loss as restated

(Rs. In millions)

For the year/period ended	30.09.07	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Income						
Sales :						
Of the products manufactured by Company	223.74	356.59	151.42	52.17	20.14	12.78
Of the products traded by Company	318.43	362.09	235.89	116.68	102.97	102.84
Total Sales	**542.17**	**718.68**	**387.31**	**168.85**	**123.11**	**115.62**
Other Income	15.52	14.09	4.74	1.42	0.81	0.82
Increase/(Decrease) in Inventories	(23.25)	5.04	54.84	8.79	3.38	(18.34)
Total Income	**534.44**	**737.81**	**446.89**	**179.06**	**127.30**	**98.10**
Expenditure						
Cost of Material	334.18	504.50	309.49	124.13	93.81	77.98
Manufacturing Expenses	62.76	63.34	52.86	19.78	12.18	6.08
Administrative Expenses	31.01	30.80	32.03	13.85	9.82	6.46
Interest and Finance Charges	17.37	25.46	16.29	7.46	6.34	6.60
Depreciation/ Amortization	5.78	8.58	3.64	0.84	0.46	0.40
Total Expenditure	**451.10**	**632.68**	**414.32**	**166.07**	**122.60**	**97.52**
Profit before Tax and extra ordinary items	**83.34**	**105.13**	**32.57**	**12.99**	**4.70**	**0.58**
Provision for Taxation						
- Current Tax	23.30	30.00	7.70	5.20	1.60	0.20
- Fringe Benefit Tax	0.30	0.50	0.41	-	-	-
- Less/ (Add) Deferred Tax	2.57	6.00	2.96	0.10	0.06	0.04
- Prior period items - Income Tax	-	0.22	0.35	(0.03)	-	0.25
Profit after tax as before extra ordinary items	**57.17**	**68.41**	**21.15**	**7.72**	**3.04**	**0.09**
Add/(Less) Adjustment of Prior period items - Income Tax	-	0.22	0.35	(0.25)	(0.12)	0.25
Profit after Tax before extraordinary items	**57.17**	**68.63**	**21.50**	**7.47**	**2.92**	**0.34**
Extra-ordinary items	-	-	-	-	-	-
Profit after Tax and extra ordinary item, as restated	**57.17**	**68.63**	**21.50**	**7.47**	**2.92**	**0.34**

Note: Figures in bracket denote negative numbers.

Annexure-3

SIGNIFICANT ACCOUNTING POLICIES

Background

Bang Overseas Limited (the company) was incorporated on 1st June 1992 as Bang Overseas Pvt. Ltd. The name of the company was changed to Bang Overseas Ltd. on 4th February 2005. The company is engaged in the business of textile and readymade garments.

SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF RESTATED ACCOUNTS

1. **Basis of preparation of Financial Statements**

   The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provision of the Companies Act, 1956.

2. **Use of Estimate**

   The preparation of financial statements requires estimates and assumptions to be made that effects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. **Revenue Recognition**

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

   (ii) Interest

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

   (iii) Dividends

   Revenue is recognized as and when received.

4. **Fixed Assets**

   Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use

5. **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 both manufacturing units situated in Bangalore. Except those fixed assets, remaining fixed assets in Mumbai has been continued depreciated by following written down value method.

6. **Inventories**

   Inventories are measured at lower of cost or net realizable value. Stores, Spares parts and packing material valued as cost. Cost is determined by using average cost method.

7. **Investment:**

   Current Investments are measured at the lower of cost or market value. Long Term Investments are measured at Cost.

8. **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.

9. **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.

10. **Employee Retirement Benefits**

The company provides for gratuity, a defined benefit plan in accordance with the rules of the company based on valuation carried out by the management at the balance sheet date. Contribution payable to the Employees benefits is charged to Profit & Loss Account on as incurred.

11. **Borrowing Costs:**

Borrowing cost which are directly attributable to the acquisition/construction of Qualifying Assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

12. **Leases:**

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on accrual basis.

Assets leased out under operating leases are capitalized. Rental income is recognized on accruals basis over the lease term.

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. **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.

(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.

15. **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.

16. **Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

17. 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.

Annexure - 4

Significant notes on restated Profit & Loss and Assets and Liabilities

1. The Disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are given in the Annexure 15 of the Restated Financial Statement.

2. The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard (AS) 20 issued by the ICAI. A statement on calculation of Basic and Diluted EPS is given in Annexure 8 of the Restated Financial Statement.

3. 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:

(Rs. In millions)

Particulars	30.09.07	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Deferred Tax Liabilities						
On account of difference in Depreciation	11.87	7.70	3.28	0.32	0.23	0.16
On account of pre-operative exp.	-	2.79				
Total	**11.87**	**10.49**	**3.28**	**0.32**	**0.23**	**0.16**
Deferred Tax Assets						
Expenditure disallowed u/s 43B	0.01	1.20	Nil	Nil	Nil	Nil
Deferred Tax Liabilities (Net)	**11.86**	**9.29**	**3.28**	**0.32**	**0.23**	**0.16**

   The company adopted Accounting Standard 22, (AS-22) for the first time in preparing the financial statements for the year ended 31st March 2003.

4. In the opinion of the Board, sundry debtors, loans and advances and other current assets 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.

5. Miscellaneous Expenditure (Intangible assets) to the extent not written off includes IPO expenses of Rs. 4.98 millions, expenditure worth Rs. 2.43 millions relating to expenditure upto trial run production in the new manufacturing unit Formal clothing company and expenditure worth Rs. 6.01 million relating to brand building expenditure on Thomas Scott brand & statutory cost.

6. Contingent Liabilities

(Rs. in millions)

Particulars	As on September 30, 2007
Bank Guarantees	6.04
Letter of credit	137.12
Total	**143.16**

7. Segment Reporting

   The company operates in only one reportable segment i.e. textile and textile products. Hence segment reporting is not applicable to the company.

8. Prior period items:

Prior period items include Income tax liability relating to prior period which were debited/credited in the audited accounts of the year in which it were triggered. While preparing restated accounts, these items have been adjusted in the period to which they relate. Hence the items worth Rs. 0.51 millions relating to the period before 01.04.01 were adjusted in the opening balance of Profit & Loss account as at 01.04.01.

9. Changes in accounting policies:

There is no change in accounting policy during the reported period.

Annexure 5

Cash Flow Statement, as restated

(Rs. In millions)

For the year / period ended	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Cash Flow from Operating Activities (A)						
Profit before Tax	83.34	105.13	32.57	12.99	4.70	0.58
Adjustments for :						
(Profit)/Loss on Sale of Fixed Assets	-	-	-	-	-	-
Depreciation and Amortisation	5.78	8.58	3.64	0.84	0.46	0.40
Dividend and Interest Income	(0.30)	(0.86)	(0.66)	(0.43)	(0.19)	(0.20)
Interest and financial charges	17.37	25.46	16.29	7.46	6.34	6.60
Operating Profit before Working Capital Changes	**106.19**	**138.20**	**51.84**	**20.86**	**11.30**	**7.38**
Adjustments for :						
(Increase)/Decrease in Inventories	(53.52)	(15.21)	(54.85)	(8.79)	(3.38)	18.34
(Increase)/Decrease in Debtors	(155.87)	(95.15)	(50.00)	(3.21)	(9.40)	13.78
(Increase)/Decrease in Loans and Advances	(13.25)	(49.23)	13.22	(25.45)	(4.25)	(1.47)
Increase/(Decrease) in Current Liabilities	108.54	57.99	35.32	(5.07)	10.14	(8.60)
Cash Generated from Operations	**(7.91)**	**36.60**	**(4.47)**	**(21.66)**	**4.41**	**29.43**
Tax Paid (Net of Refund)	(8.99)	(21.23)	(11.36)	(3.73)	(0.51)	(0.50)
Net Cash Flow from Operating Activities	**(16.90)**	**15.37**	**(15.83)**	**(25.39)**	**3.90**	**28.93**
Cash Flow from investing Activities (B)						
(Purchase) of Fixed Assets	(16.99)	(46.60)	(73.07)	(2.78)	(1.35)	(0.27)
Dividend and Interest Income	0.30	0.86	0.66	0.43	0.19	0.20
(Increase)/Decrease in Investment	-	-	-	-	-	(1.25)
Proceeds from sale of assets	-	-	-	-	-	-
Miscellaneous Expenditure	(5.07)	(11.45)	-	-	-	-
Net Cash Flow from Investing Activities	**(21.76)**	**(57.19)**	**(72.41)**	**(2.35)**	**(1.16)**	**(1.32)**
Cash Flow from Financing Activities (C)						
Proceeds from issue of Share Capital	2.60	0.42	0.01	2.18	0.01	-
Proceeds from Share Application Money	-	-	-	-	-	-
Proceeds from Share Premium	29.90	4.80	0.10	10.93	0.08	-
Proceeds from Secured Loans	35.97	44.75	50.13	4.93	0.35	4.18
Proceeds from Unsecured Loans	18.13	18.26	61.64	16.03	3.99	(26.96)
Interest Paid	(17.37)	(25.46)	(16.29)	(7.46)	(6.34)	(6.60)
Net Cash Flow from Financing Activities	**69.23**	**42.77**	**95.59**	**26.61**	**(1.91)**	**(29.38)**
Net (Decrease) / (Increase) in Cash and Cash Equivalents (A+B+C)	**30.57**	**0.95**	**7.35**	**(1.13)**	**0.83**	**(1.77)**
Cash and Cash Equivalents at the Beginning of the Year	11.34	10.39	3.04	4.17	3.34	5.11
Cash and Cash Equivalents at the end of the Year	**41.91**	**11.34**	**10.39**	**3.04**	**4.17**	**3.34**

Note: Figures in bracket denote negative numbers.

Annexure 6

Statement of Dividend Paid

(Rs. in millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Rate of Dividend (%)	Nil	Nil	Nil	Nil	Nil	Nil
Amount of dividend	Nil	Nil	Nil	Nil	Nil	Nil

Annexure 7

Statement of other income

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Interest on Bank Deposits	0.09	0.67	0.47	0.24	0.11	0.20
Hire Charges received	3.90	6.28	1.03	-	-	-
Gain in Foreign Exchange Transaction	4.38	0.31	0.22	-	-	-
Dividend on Investment	0.21	0.19	0.19	0.19	0.08	0.00
Miscellaneous Income	-	0.01	0.37	0.03	-	0.01
Export Incentives - Duty Drawback	6.94	6.63	2.46	0.96	0.62	0.61
Total	**15.52**	**14.09**	**4.74**	**1.42**	**0.81**	**0.82**

Annexure - 8

Statement of Accounting ratio

(Rs. in millions)

Particulars	30.09.07	31.03.07	31.03.06	31.03. 05	31.03.04	31.03.03
Profit or Loss, restated (Rs. In millions)	57.17	68.63	21.50	7.47	2.92	0.34
Earning Per Share (EPS) Basic & Diluted (Rs.)	11.57*	7.36	2.39	0.83	0.33	0.04
Return on Net Worth (For Equity Shareholders) (%)	51.35%*	50.08%	32.88%	17.11%	12.77%	1.71%
Net Asset Value per Share (Rs.)	22.13	13.98	26.15	17.47	81.21	70.93
Weighted average number of equity shares outstanding during the year used for computing Basic and Diluted EPS	9881667	9330150	9006480	9005480	8786980	8785480
Total number of shares outstanding at the end of year/period	10060000	9800000	2501000	2500000	281500	280000

** Annualised*

The ratios have been computed as below:

I. Earnings per share (Rs.): Net profit attributable to equity shareholders/weighted average number of equity shares outstanding as at the end of the year/period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings Per Share", issued by the Institute of Chartered Accountants of India.

II. Return on Net Worth (%): Net profit after tax/Net worth as at the end of the year/period.

III. Net Asset Value (Rs.): Net worth at the end of the year/Number of equity Shares outstanding at the end of the year/period.

IV. Net Profit, as appearing in the statement of restated profits and losses, has been considered for the purpose of computing the above ratios.

Annexure - 9

Statement of Capitalisation

(Rs. In millions)

Particulars	Pre-Issue	Post - Issue
Shareholders fund:		
Share Capital	100.60	135.60
Reserve & Surplus	135.49	824.99
Less: Miscellaneous expenditure	(13.42)	(13.42)
Total Shareholders fund	222.67	947.17
Debt		
Long Term Debt	31.45	31.45
Short Term Debt	268.10	268.10
Total Debt	299.55	299.55
Long Term Debt/Shareholders fund	0.14	0.03

**Information pertaining to Share capital and reserves, post issue can be ascertained only after completion of book building process.*

Annexure 10

Details of Investments

(Rs. In millions)

Particulars	30.09.07	31.03.07	31.03.06	31.03. 05	31.03.04	31.03.03
Investment in Subsidiary co. M/s Vedanta Creations Pvt. Ltd.	7.52	7.52	-	-	-	-
1000 Equity Shares (Unquoted) of Saraswat Co-Op Bank Ltd.*	0.01	0.01	0.01	0.01	0.01	0.01
62500 Equity Shares (Unqoted) of A.P. Mahesh Urban Co-Op Bank Ltd*	1.25	1.25	1.25	1.25	1.25	1.25
Total	**8.78**	**8.78**	**1.26**	**1.26**	**1.26**	**1.26**

**The above investment in equity shares of Saraswat co-op Bank Ltd. and A.P. Mahesh Urban Co-op. Bank Ltd. were acquired by the company in the name of Mr. Venugopal Bang and Mr. Brijgopal Bang on behalf of the company. We informed that the said shares were purchased in pursuant to the rules and regulation of the said bank as company is not eligible for the membership of the said banks.*

Annexure 11

Details of sundry debtors

(Rs. In millions)

Particulars	30.09.07	31.03.07	31.03.06	31.03. 05	31.03.04	31.03.03
Debts outstanding for a period exceeding six months:						
Considered good	34.03	16.79	5.95	2.30	2.27	3.58
Considered doubtful	-	-	-	-	-	
Other Debts :						
Considered good	298.59	159.96	75.65	29.30	26.12	15.41
Considered doubtful	-	-	-	-	-	-
Total	**332.62**	**176.75**	**81.60**	**31.60**	**28.39**	**18.99**

The above includes the following receivable for key management personnel, their entity and/or those related to key management personnel.

(Rs. In millions)

Name of the Party	30.09.07	31.03.07	31.03.06	31.03. 05	31.03.04	31.03.03
Debts outstanding for a period exceeding six months:	Nil	Nil	Nil	Nil	Nil	Nil
Other Debts:						
Considered good:						
Bodywave Fashion Pvt. Ltd. (Company controlled by Key management personal)	-	-	-	-	-	
M/s Ramkumar Venugopal (Firm Controlled by Chairman Mr. Venugopal Bang)	-	5.50	0.01	-	2.85	0.90
M/s Vedanta Creations Pvt. Ltd.	-	-	0.16	-	-	-
Total	**-**	**5.50**	**0.17**	**-**	**2.85**	**0.90**

Annexure 12

Details of loans and advances

(Rs. In millions)

Particulars	30.09.07	31.03.07	31.03.06	31.03. 05	31.03.04	31.03.03
Advances	13.24	12.61	5.88	4.90	7.81	2.21
Advance to Employees	0.37	0.14	0.12	0.09	0.03	0.04
Advance for Purchase	59.90	47.25	7.60	9.35	-	-
Advance for Capital Equipments	-	-	1.40	19.00	-	-
Advance Tax & TDS	0.73	0.73	0.48	4.59	3.06	3.87
Sundry Deposits	9.31	9.57	5.34	0.22	0.24	0.25
Total	**83.55**	**70.30**	**20.82**	**38.15**	**11.14**	**6.37**

The above include the following loans & advances to Key management personnel, their relatives or those related to key management personnel.

(Rs. In millions)

Name of the party	30.09.07	31.03.07	31.03.06	31.03. 05	31.03.04	31.03.03
Advances:						
Mr. Brijgopal Bang - Managing Director	-	-	-	0.01	0.01	-
Total	**-**	**-**	**-**	**0.01**	**0.01**	**-**

Annexure - 13

Statement of Secured and Unsecured Loans

(A) Secured Loans

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Secured Loans						
Term Loan from Bank	31.45	35.82	35.00	-	-	-
Working Capital Limits	111.97	71.14	26.58	12.42	8.63	8.28
Car Loans	0.99	1.48	2.11	1.14	-	-
Total	**144.41**	**108.44**	**63.69**	**13.56**	**8.63**	**8.28**

Details of Secured Loans

Sr. No.	Bank/Types of credit facilities	Sanctioned Amount/rate of interest	Balance outstanding as on 30th Sep 2007	Repayment Schedule	Securities offered
1.	ING Vysya Bank Ltd - Cash Credit	Rs.100 millions @ IVRR - 0.50% (effectively 12.50% p.a.).	Rs. 108.06 millions.	Renewed every year	**1. Primary Securities:** Hypothecation of Entire Current Assets such as raw materials, stock in process, finished goods, book debts, spares & stores etc. **2. Collateral Securities:** Continuation of mortgage over land & building and hypothecation of plant & machinery at 51/1 &1/1 at Kallabalu Village, Jigani Hobli, Bangalore and hypothecation of plant & machinery at Begur hobli, Bangalore and continuing charge on the pledge of actively traded shares with a market value of Rs. 13.50 Millions.
2.	ING Vysya Bank Ltd - ILC / FLC	Rs.100 millions / rate of interest as per Bank's guidelines.	Rs.137.12 millions	Bill retirement	**1. Primary Securities:** **For DP LCs** -Documents against LCs **For DA LCs** - Documents received against LCs till acceptance and accepted drafts/trust letters thereafter. Continuing security of exclusive charge by way of hypothecation of entire current assets of the company charged to CC limit. **2. Collateral Securities:** Continuation of mortgage over land & building and hypothecation of plant & machinery at 51/1 &1/1 at Kallabalu Village, Jigani Hubli, Bangalore and hypothecation of plant & machinery at Begur hobli, Bangalore and continuing charge on the pledge of actively traded shares with a market value of Rs. 13.50 Millions.

Sr. No.	Bank/Types of credit facilities	Sanctioned Amount/rate of interest	Balance outstanding as on 30th Sep 2007	Repayment Schedule	Securities offered
3.	ING Vysya Bank Ltd - Term Loan	Rs.42.6 Millions / @ IVRR - 0.50% (effectively 12.50% p.a.)	Rs. 31.45 millions.	16 equal quarterly installment (repayment started since March 2006)	**1. Primary Securities:** Exclusive charge by way of Equitable Mortgage of Land & Building and hypothecation of plant & machineries at 51/1 & 1/1 at Kallabalu village, Jigani Hubli, Bangalore & Hypothecation of Plant & machinery at 145/1, 145/2 and 145/3 at Basapur Village, Begur Hobli, Bangalore. **2. Collateral Securities:** Extension of exclusive charge by way of hypothecation of entire current assets offered as primary security for working capital limits, continuing charge on the pledge of actively traded shares with a market value of INR 13.5 Millions
4.	ING Vysya Bank Ltd - LC Discounting	Rs.10 millions / @ IVRR - 2.5% (effectively 10.50% p.a.)	Nil	After bill submission	**1. Primary Securities:** Documents under LC Confirmation from the LC opening bank Extension of existing security of exclusive charge by way of hypothecation of entire current assets of the company charged to CC limits.
5.	ING Vysya Bank Ltd - Bank Guarantee	Rs.5 millions / 2% p.a. on performance guarantees & 3% p.a. on financial guarantees	Rs. 6.04 millions	N.A.	**1. Primary Securities:** Lien on cash margin, counter guarantee of the company. **2. Collateral Securities:** Continuing security of exclusive charge over the entire current assets of the company charge to cash credit limit.

(B) Unsecured Loans

(Rs. In millions)

S.No.	Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
1	From Directors:						
	Mr. Venugopal Bang	5.21	12.53	28.32	7.95	0.05	1.06
	Mr. Brijgopal Bang	9.68	9.20	8.15	7.56	4.43	3.94
2	From Group Companies	2.35	0.02	1.82	2.00	-	6.31
3	From Relatives of Directors	30.81	37.60	23.25	13.80	11.64	9.72
4	From Others	107.09	77.66	57.21	25.80	24.96	16.06
	Total	**155.14**	**137.01**	**118.75**	**57.11**	**41.08**	**37.09**

The abovementioned loans outstanding as on 30th September 2007 are unsecured, repayable on demands and carry rate of interest @ 12 % p.a.

Annexure 14

Tax Shelter Statement

(Rs. In millions)

For the period / year ended	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Net Profit/(Loss) before Tax (as restated)	83.34	105.13	32.57	12.99	4.70	0.58
Tax rate - Normal	33.99%	33.66%	33.66%	36.59%	35.88%	36.75%
Tax at Normal Tax Rates (A)	**28.33**	**35.39**	**10.96**	**4.75**	**1.68**	**0.21**
Adjustments :						
Permanent Difference (B)						
Donation & Others	-	0.27	0.18	0.35	-	-
Dividend	-	-	(0.19)	(0.19)	(0.08)	-
Total Permanent Difference	-	0.27	(0.01)	0.16	(0.08)	-
Temporary Difference (C)						
Depreciation as per Books	4.75	6.51	3.64	0.84	0.46	0.40
Depreciation as per Income Tax	(16.81)	(18.70)	(13.43)	(1.09)	(0.63)	(0.53)
Expenses u/s 43B & 40a	(3.50)	2.69	0.01	0.90	-	
Preliminary expenses allowed	1.04	(8.29)	-			
Total Timing Difference	(14.52)	(17.79)	(9.78)	0.65	(0.17)	(0.13)
Net Adjustments (B+C)	**(14.52)**	**(17.52)**	**(9.77)**	**0.81**	**(0.25)**	**(0.13)**
Tax Saving thereon	(4.94)	(5.90)	(3.29)	0.30	(0.09)	(0.05)
Tax on Restated Income	23.39	29.49	7.67	5.05	1.60	0.17

Annexure - 15

Statement of Related Party Transactions

Details of Related Party Transactions

Information on Related Party Disclosures as per Accounting Standard 18 (AS-18) on Related Party Disclosures is given below:

Related Parties		Nature of Relationship
(i)	**Key Management Personnel:**	
	Mr. Venugopal Bang Mr. Brijgopal Bang	Chairman Managing Director
(ii)	**Relatives of Key Management Personnel**	
	Balaram Bang Girdhargopal Bang Nandgopal Bang Rajgopal Bang Radhadevi Bang Taradevi Bang Raghavendra Bang	Father of Mr. Venugopal Bang & Brijgopal Bang Brother of Mr. Venugopal Bang & Brijgopal Bang Brother of Mr. Venugopal Bang & Brijgopal Bang Brother of Mr. Venugopal Bang & Brijgopal Bang Mother of Mr. Venugopal Bang & Brijgopal Bang Wife of Mr. Brijgopal Bang Son of Mr. Venugopal Bang
(iii)	**Enterprise controlled or owned by Key Management personnel:**	
	M/s Bang Data Forms Pvt. Ltd. M/s Ramkumar Venugopal M/s Bodywave Fashions Pvt. Ltd. M/s Ramkumar Venugopal Investment Pvt. Ltd. M/s Ramchandar Shivnarayan	Companies/firm controlled or managed by key management Personnel Mr. Vengugopal Bang and/or Mr. Brijgopal Bang
	M/s Vedanta Creations Pvt. Ltd.	Subsidiary Company

Details of Related Party Transactions:

(i) Transaction with key management personnel:

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Salary/Remuneration						
Brijgopal Bang	0.60	0.10	-	-	-	-
Unsecured Loans taken by company						
Venugopal Bang	2.43	17.77	30.42	32.36	26.95	15.93
Brijgopal Bang	0.59	0.25	0.85	2.50	-	-
Repayment of Unsecured Loans taken by company						
Venugopal Bang	10.25	35.40	12.16	24.77	27.96	29.64
Brijgopal Bang	0.60	0.10	1.09	0.09	0.04	0.01
Interest						
Venugopal Bang	0.56	2.08	2.37	0.35	-	0.89
Brijgopal Bang	0.55	1.00	0.93	0.81	0.59	0.43
Tax deducted at source						
Venugopal Bang	0.06	0.24	0.26	0.04	-	0.09
Brijgopal Bang	0.06	0.10	0.10	0.09	0.06	0.05

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Closing balance of unsecured loans taken by company						
Venugopal Bang	5.21	12.53	28.32	7.95	0.05	1.06
Brijgopal Bang	9.68	9.20	8.15	7.56	4.43	3.94
Loans & Advances given						
Advance given to Mr. Brijgopal Bang	-	-	0.01	0.01	-	-
Sales	**-**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Purchase	**-**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

(ii) Transactions with relatives of key management personnel:

(Rs. In millions)

For the period / year ended	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Salary & Remuneration						
Raghavendra Bang	0.13	0.02	0.09	-	-	-
Unsecured loan taken by company						
Balaram Bang	0.80	14.27	7.04	3.79	0.94	4.04
Girdhargopal Bang	0.46	0.83	0.48	1.20	0.45	-
Nandgopal Bang	-	0.72	0.35	-	-	-
Rajgopal Bang	0.47	0.69	2.02	2.50	0.45	-
Radhadevi Bang	-	-	0.90	-	-	-
Taradevi Bang	-	-	1.11	-	-	-
Repayment of Unsecured loan taken by company						
Balaram Bang	8.80	4.00	4.00	6.62	1.32	6.06
Girdhargopal Bang	0.96	0.40	-	-	-	-
Nandgopal Bang	-	0.73	0.35	-	-	-
Rajgopal Bang	0.50	0.00				
Radhadevi Bang	0.00	-	-	-	-	-
Taradevi Bang	0.00	0.00				
Interest paid						
Balaram Bang	1.15	1.85	1.22	1.03	1.38	0.70
Girdhargopal Bang	0.16	0.32	0.25	0.10	-	-
Nandgopal Bang	-	0.04	-	-	-	-
Rajgopal Bang	0.40	0.66	0.40	0.09	-	-
Radhadevi Bang	0.11	0.21	0.13	0.11	0.09	0.06
Taradevi Bang	0.13	0.24	0.13	0.11	0.09	0.06
Tax Deducted at Source						
Balaram Bang	0.13	0.21	0.14	0.11	0.14	0.07
Girdhargopal Bang	0.02	0.03	0.02	0.01	-	-
Nandgopal Bang	-	0.00	-	-	-	-
Rajgopal Bang	0.04	0.07	0.05	0.01	-	-
Radhadevi Bang	0.01	0.02	0.01	0.01	0.01	0.01
Taradevi Bang	0.01	0.02	0.01	0.01	0.01	0.01
Closing balance of Unsecured Loan taken by company						
Balaram Bang	16.62	23.60	11.69	7.57	9.48	8.62

(Rs. In millions)

For the period / year ended	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Girdhargopal Bang	2.81	3.17	2.45	1.74	0.45	-
Nandgopal Bang	0.03	0.03	-	-	-	-
Rajgopal Bang	7.01	6.68	5.40	3.03	0.45	-
Radhadevi Bang	2.04	1.94	1.75	0.73	0.63	0.55
Taradevi Bang	2.30	2.18	1.96	0.73	0.63	0.55
Sales	**-**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Purchase	**-**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

(iii) Transactions with company/firm controlled or managed by key management personnel:

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Salary & remuneration	Nil	Nil	Nil	Nil	Nil	Nil
Unsecured loans taken by company						
Bang Data Forms Pvt. Ltd.	18.00	26.50	26.50	6.05	6.00	6.29
Ramkumar Venugopal Investment Pvt. Ltd.	4.75	-	14.00	8.82	-	0.40
Repayment of unsecured loans taken by company						
Bang Data Forms Pvt. Ltd.	18.02	28.30	25.00	5.49	13.21	21.45
Bang Data Forms Pvt. Ltd.- Reimbursement of payment made on behalf of our company	-	-	-	-	-	-
Ramkumar Venugopal Investment Pvt. Ltd.	2.50	-	16.00	6.82	-	0.40
Interest paid						
Ramkumar Venugopal Investment Pvt. Ltd.	0.12	-	-	-	-	-
Bang Data Forms Pvt. Ltd.	-	-	0.41	-	0.43	1.61
Tax Deducted at Source						
Bang Data Forms Pvt. Ltd.	-	-	0.09	-	0.09	0.34
L.C. Commission (Net of TDS)	**-**	**-**	**-**	**-**	**-**	**-**
Ramkumar Venugopal Investment Pvt. Ltd.	0.02					
Bang Data Forms Pvt. Ltd.						
Closing balance of unsecured loans taken by company						
Bang Data Forms Pvt. Ltd. (Balance as on 31.03.04 was Rs. (-) 0.56 millions)	-	0.02	1.82	-	-	6.31
Ramkumar Venugopal Investment Pvt. Ltd.	2.35	-	-	2.00	-	-
Sales						
Bang Data Forms Pvt. Ltd.	-	0.02	-	0.11	-	-
Bodywave Fashions (I) Pvt. Ltd.	-	24.24	16.33	10.76	-	1.53
Vedanta Creations Pvt. Ltd.	-	-	0.69	0.11	22.32	17.02
M/s Ramkumar Venugopal	-	20.93	6.90	23.21	7.76	6.54
Purchases						
Bang Data Forms Pvt. Ltd.	0.18	0.52	0.02	6.92	8.27	0.01
Bodywave Fashions (I) Pvt. Ltd.	29.84	10.20	5.79	-	-	-
Vedanta Creations Pvt. Ltd.	0.08	6.32	6.06	-	-	1.81
Ramchandar Shivnarayan	0.08	0.18	-	-	-	-
Commission paid:						
Vedanta Creations Pvt .Ltd.	-	0.01	-	-	-	-

Auditors' Report

The Board of Directors
Bang Overseas Limited
Mumbai

We have examined the following consolidated financial information of Bang Overseas Limited ("the Company") and its subsidiary company M/s Vedanta Creations Private Limited as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines"), as amended from time to time, in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications and in accordance with the terms of reference received from the company vide their letter dated 8th Feb 2007, requesting us to carryout the work, proposed to be included in the Red Herring Prospectus / Prospectus of the Company in connection with its proposed Initial Public Issue.

Annexure 1	:	Consolidated Statement of restated Assets and Liabilities as at 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003.
Annexure 2	:	Consolidated Statement of restated Profit and Loss Account for the period ended 30th September 2007 and for the year ended 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003.
Annexure 3	:	Statement of Accounting Ratios
Annexure 4	:	Significant Accounting Policies
Annexure 5	:	Notes on accounts

This report is intended solely for use for your information and for inclusion in the Red Herring Prospectus / Prospectus in connection with the Proposed Initial Public Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rajendra K. Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
MNO. 9939

Place: Mumbai
Date: 30th December 2007

Annexure - 1

Consolidated statement of Assets and Liabilities as restated

(Rs. In millions)

As at	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Fixed Assets (A)						
Gross Block	147.99	130.92	81.30	8.23	5.45	4.10
Less: Accumulated Depreciation	19.54	14.57	6.80	3.16	2.32	1.86
Net Block	**128.45**	**116.35**	**74.50**	**5.07**	**3.13**	**2.24**
Investments (B)	**1.26**	**1.26**	**1.26**	**1.26**	**1.26**	**1.26**
Current Assets, Loans and Advances (C)						
Inventories	206.59	158.04	111.49	56.64	47.85	44.47
Sundry Debtors	410.80	262.15	81.60	31.60	28.39	18.99
Cash & Bank Balance	51.41	13.55	10.39	3.04	4.17	3.34
Loans & Advances	98.51	81.81	20.82	38.15	11.14	6.37
Total (C)	**767.31**	**515.55**	**224.30**	**129.43**	**91.55**	**73.17**
Total Assets (A+B+C)	**897.02**	**633.16**	**300.06**	**135.76**	**95.94**	**76.67**
Liabilities and Provisions (D)						
Secured Loans	152.07	118.69	63.69	13.56	8.63	8.28
Unsecured Loans	167.41	149.79	118.75	57.11	41.08	37.09
Deferred Tax Liabilities	11.85	9.31	3.28	0.32	0.23	0.16
Current Liabilities & Provisions	279.37	167.89	48.95	21.10	23.14	11.28
Total (D)	**610.70**	**445.68**	**234.67**	**92.09**	**73.08**	**56.81**
Net Worth (A+B+C-D)	**286.32**	**187.48**	**65.39**	**43.67**	**22.86**	**19.86**
Represented by (E)						
1. Share Capital	100.60	98.00	25.01	25.00	2.81	2.80
2. Reserves & Surplus	199.14	98.86	40.38	18.67	20.05	17.06
Total (E)	**299.74**	**196.86**	**65.39**	**43.67**	**22.86**	**19.86**
Less: Miscellaneous Expenditure	(13.42)	(9.38)	-	-	-	
Net Worth	**286.32**	**187.48**	**65.39**	**43.67**	**22.86**	**19.86**

Annexure - 2

Statement of Consolidated Profits & Losses as restated

(Rs. In millions)

Year/Period ended	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income						
Sales						
Of the products manufactured by Company	223.74	356.86	151.42	52.17	20.14	12.78
Of the products traded by Company	439.52	609.36	235.89	116.68	102.97	102.84
Total Sales	**663.26**	**966.22**	**387.31**	**168.85**	**123.11**	**115.62**
Other Income	15.56	14.39	4.74	1.42	0.81	0.82
Increase/(Decrease) in Inventories	(28.22)	15.68	54.84	8.79	3.38	(18.34)
Total Income	**650.60**	**996.29**	**446.89**	**179.06**	**127.30**	**98.10**
Expenditure						
Cost of Material	423.31	690.42	309.49	124.13	93.81	77.98
Manufacturing Expenses	62.76	63.34	52.86	19.78	12.18	6.08
Administrative Expenses	36.31	41.16	32.03	13.85	9.82	6.46
Interest and Financial Charges	18.78	27.91	16.29	7.46	6.34	6.60
Depreciation/Amortisation	6.01	8.96	3.64	0.84	0.46	0.40
Total Expenditure	**547.18**	**831.79**	**414.32**	**166.07**	**122.60**	**97.52**
Profit before Tax and extra ordinary items	**103.42**	**164.50**	**32.57**	**12.99**	**4.70**	**0.58**
Provision for Taxation						
- Current Tax	30.15	50.50	7.70	5.20	1.60	0.20
- Fringe Benefit Tax	0.35	0.56	0.41	-	-	-
- Less/ (Add) Deferred Tax	2.54	6.01	2.96	0.10	0.06	0.04
- Less/ (Add) Prior period items - Income Tax	-	0.64	0.35	(0.03)	-	0.25
Profit after Tax before Extra ordinary items	**70.38**	**106.79**	**21.15**	**7.72**	**3.04**	**0.09**
Add/(Less) Adjustment of Prior period items - Income Tax	-	0.64	0.35	(0.25)	(0.12)	0.25
Profit after Tax before Extra ordinary items	70.38	107.43	21.50	7.47	2.92	0.34
Add/(Less): Extra ordinary items	-	1.25	-	-	-	-
Profit after Tax and extra ordinary items As restated	**70.38**	**108.68**	**21.50**	**7.47**	**2.92**	**0.34**

Note: Figures in bracket denote negative numbers.

Annexure - 3

Statement of Accounting ratio

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Profit or Loss, restated (Rs. In millions)	70.38	108.68	21.50	7.47	2.92	0.34
Earning Per Share (EPS)						
Basic & Diluted (Rs.)	14.24*	11.65	2.39	0.83	0.33	0.04
Return on Net Worth (For Equity Shareholders) (%)	49.16%*	57.96%	32.88%	17.11%	12.77%	1.71%
Net Asset Value per Share (Rs.)	28.46	19.13	26.15	17.47	81.21	70.93
Weighted average number of equity shares outstanding during the year used for computing Basic and Diluted EPS	9881667	9330150	9006480	9005480	8786980	8785480
Total number of shares outstanding at the end of year/period	10060000	9800000	2501000	2500000	281500	280000

**Annualised*

The ratios have been computed as below:

I. Earnings per share (Rs.): Net profit attributable to equity shareholders/weighted average number of equity shares outstanding as at the end of the year/period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings Per Share", issued by the Institute of Chartered Accountants of India.

II. Return on Net Worth (%): Net profit after tax/Net worth as at the end of the year/period.

III. Net Asset Value (Rs.): Net worth at the end of the year/Number of equity Shares outstanding at the end of the year/period.

IV. Net Profit, as appearing in the statement of restated profits and losses, has been considered for the purpose of computing the above ratios.

Annexure-4

SIGNIFICANT ACCOUNTING POLICIES

Background

Bang Overseas Limited (the company) was incorporated on 1st June 1992 as Bang Overseas Pvt. Ltd. The name of the company was changed to Bang Overseas Ltd. on 4th February 2005. The company is engaged in the business of textile and readymade garments.

Vedanta Creations Pvt. Ltd. (the subsidiary) was incorporated on 14th Aug 2001. The subsidiary is engaged in textile business.

Bang Overseas Ltd. acquired 100% equity interest in Vedanta Creations Pvt. Ltd. on 3rd November 2006 through a 'Share Purchase and Sale agreement' ('SPA') dated 3rd November 2006 entered into between the Company and shareholders of Vedanta Creations Pvt. Ltd. As a result of this acquisition, Vedanta Creations Pvt. Ltd. became a wholly owned subsidiary of Bang Overseas Ltd

SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF RESTATED FINANCIAL STATEMENT

1. Basis of preparation of Financial Statements

Accounting Convention

The consolidated financial statements of Bang Overseas Limited, together with it's subsidiary Vedanta Creations Private Limited are prepared and presented under historical cost convention on accrual basis of Accounting in accordance with the accounting policies of the parent company unless otherwise stated and comply with the requirement of the Accounting Standard 'AS- 21' on "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956 for the parent and Indian subsidiary.

Investments in the subsidiary company, except where investments are acquired exclusively with a view to its subsequent disposal in the immediate near future, are accounted in accordance with accounting principles as defined in the AS 21.

2. Use of Estimate

The preparation of financial statements requires estimates and assumptions to be made that effects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. Principles of Consolidation

The consolidated financial statements relate to Bang Overseas Limited (`the Company') and its subsidiary Company Vedanta Creations Pvt. Ltd. The consolidated financial statements have been prepared on the following basis.

- The financial statements of the company and its subsidiary companies 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 eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Inconsistency, if any, between the accounting policies of the subsidiary, have been disclosed in the notes to accounts.
- The difference of the cost to the company of its investment in subsidiaries over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.

4. **Revenue Recognition**

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

(ii) **Interest**

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

(iii) **Dividends**

Revenue is recognized as and when received.

5. **Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use

6. **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 both manufacturing units situated in Bangalore. Except those fixed assets, remaining fixed assets in Mumbai has been continued depreciated by following written down value method.

In case of Subsidiary company, depreciation on fixed assets has been provided for on written down value method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

7. **Inventories**

Inventories are measured at lower of cost or net realizable value. Stores, Spares parts and packing material valued as cost. Cost is determined by using average cost method.

8. **Investment:**

Current Investments are measured at the lower of cost or market value. Long Term Investments are measured at Cost.

9. **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.

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 Retirement Benefits**

The company provides for gratuity, a defined benefit plan in accordance with the rules of the company based on valuation carried out by the management at the balance sheet date. Contribution payable to the Employees benefits is charged to Profit & Loss Account on as incurred.

12 Borrowing Costs:

Borrowing cost which are directly attributable to the acquisition/construction of Qualifying Assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

13. Leases:

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on accrual basis.

Assets leased out under operating leases are capitalized. Rental income is recognized on accruals basis over the lease term.

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. 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.

(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.

16. 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.

17. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

18. 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.

Annexure - 5

Significant notes on restated Profit & Loss account and Assets and Liabilities

1. **The Subsidiary Company considered in the consolidated financial statements:**

Name of the Company	% of voting powers held as at 31.03.2007	% of voting power held as at 31.03.2006 and preceding financial year	Consolidation from financial year
Vedanta Creations Pvt. Ltd.	100%	Nil	2006-07

Prior to the financial year 2006-07, the standalone financial of Bang Overseas Ltd. has been considered while preparing consolidated restated financial statement.

2. **Acquisition of Vedanta Creations Pvt. Ltd.**

Pursuant to 'Share Purchase and Sale agreement' ('SPA') dated 3rd November 2006 entered into between the Company and shareholders of Vedanta Creations Pvt. Ltd., on 3rd November 2006 the Company acquired 100% equity interest in Vedanta Creations Pvt. Ltd. for the consideration of 751740 equity shares of the company. The Equity Shares of both the company were valued at their respective net assets value. As a result of this acquisition, Vedanta Creations Pvt. Ltd. became a wholly owned subsidiary of Bang Overseas Ltd. The Face value of shares given on consideration has been considered as cost of investment in Vedanta Creations Pvt. Ltd.

3. **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:

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Deferred Tax Liabilities						
On account of difference in Depreciation	11.86	7.72	3.28	0.32	0.23	0.16
On account of pre-operative exp.	-	2.79				
Total	**11.86**	**10.51**	**3.28**	**0.32**	**0.23**	**0.16**
Deferred Tax Assets						
Expenditure disallowed u/s 43B	0.01	1.20	Nil	Nil	Nil	Nil
Deferred Tax Liabilities (Net)	**11.85**	**9.31**	**3.28**	**0.32**	**0.23**	**0.16**

The company adopted Accounting Standard 22, (AS-22) for the first time in preparing the financial statements for the year ended 31st March 2003.

4. In the opinion of the Board, sundry debtors, loans and advances and other current assets 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.

5. Extra-ordinary items includes claim received from Insurance company to the extent of loss provided in the year of event occurred.

6. Miscellaneous Expenditure (Intangible assets) to the extent not written off includes IPO expenses of Rs. 4.98 millions, expenditure worth Rs. 2.43 millions relating to expenditure upto trial run production in the new manufacturing unit Formal clothing company and expenditure worth Rs. 6.01 million relating to brand building expenditure on Thomas Scott brand & statutory cost.

7. **Prior period items:**

Prior period items include Income tax liability relating to prior period which were debited/credited in the audited accounts of the year in which it were triggered. While preparing restated accounts, these items have been adjusted in the period to which they relate.

8. **Segment Reporting**

The company operates in only one reportable segment i.e. textile and textile products. Hence segment reporting is not applicable to the company.

9. **Details of sundry debtors**

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Debts outstanding for a period exceeding six months:						
Considered good	38.56	19.36	5.95	2.30	2.27	3.58
Considered doubtful	-	-	-	-	-	
Other Debts :						
Considered good	372.24	242.79	75.65	29.30	26.12	15.41
Considered doubtful	-	-	-	-	-	-
Total	**410.80**	**262.15**	**81.60**	**31.60**	**28.39**	**18.99**

The above includes the following receivable for key management personnel, their entity and/or those related to key management personnel.

(Rs. In millions)

Name of the Party	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Debts outstanding for a period exceeding six months:	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Other Debts:						
Considered good:						
Bodywave Fashion Pvt. Ltd. (Company controlled by Key management personal)	-	-	-	-	-	
M/s Ramkumar Venugopal (Firm Controlled by Chairman Mr. Venugopal Bang)	-	5.50	0.01	-	2.85	0.90
M/s Vedanta Creations Pvt. Ltd.	-	-	0.16	-	-	-
Total	**-**	**5.50**	**0.17**	**-**	**2.85**	**0.90**

10. **Details of loans and advances**

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Advances	13.67	12.75	5.88	4.90	7.81	2.21
Advance to Employees	0.37	0.14	0.12	0.09	0.03	0.04
Advance for Purchase	59.90	47.25	7.60	9.35	-	-
Advance for Capital Equipments	-	-	1.40	19.00	-	-
Advance Tax & TDS	14.35	11.19	0.48	4.59	3.06	3.87
Sundry Deposits	10.22	10.48	5.34	0.22	0.24	0.25
Total	**98.51**	**81.81**	**20.82**	**38.15**	**11.14**	**6.37**

The above include the following loans & advances for Key management personnel, their relatives or those related to key management personnel.

(Rs. In millions)

Name of the Party	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Advances: Mr. Brijgopal Bang - Managing Director	-	-	-	0.01	0.01	-
Total	**-**	**-**	**-**	**0.01**	**0.01**	**-**

11. **Details of Investments**

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
1000 Equity Shares (Unquoted) of Saraswat Co-Op Bank Ltd.*	0.01	0.01	0.01	0.01	0.01	0.01
62500 Equity Shares (Unqoted) of A.P. Mahesh Urban Co-Op Bank Ltd*	1.25	1.25	1.25	1.25	1.25	1.25
Total	**1.26**	**1.26**	**1.26**	**1.26**	**1.26**	**1.26**

* The above investment in equity shares of Saraswat co-op Bank Ltd. and A.P. Mahesh Urban Co-op. Bank Ltd. were acquired by the company in the name of Mr. Venugopal Bang and Mr. Brijgopal Bang on behalf of the company. We informed that the said shares were purchased in pursuant to the rules and regulation of the said bank as company is not eligible for the membership of the said banks.

12. **Details of Secured and Unsecured Loans**

(A) Secured Loans

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Secured Loans						
Term Loan from Bank	31.45	35.82	35.00	-	-	-
Working Capital Limits	119.63	81.37	26.58	12.42	8.63	8.28
Car Loans	0.99	1.50	2.11	1.14	-	-
Total	**152.07**	**118.69**	**63.69**	**13.56**	**8.63**	**8.28**

(B) Unsecured Loans

(Rs. In millions)

Particulars	30.09.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Unsecured loans form Directors and Relatives	57.97	72.09	59.72	29.32	16.12	14.72
From group companies	2.36	0.03	1.82	2.00	-	6.31
Others	107.08	77.67	57.21	25.79	24.96	16.06
Total	**167.41**	**149.79**	**118.75**	**57.11**	**41.08**	**37.09**

The abovementioned loans outstanding as on 30th September 2007 are unsecured, repayable on demands and carry rate of interest @ 12 % p.a.

13. **Statement of Dividend Paid**

(Rs. In millions)

Particulars	**30.09.2007**	**31.03.2007**	**31.03.2006**	**31.03.2005**	**31.03.2004**	**31.03.2003**
Rate of Dividend (%)	Nil	Nil	Nil	Nil	Nil	Nil
Amount of dividend	Nil	Nil	Nil	Nil	Nil	Nil

14. **Statement of other income**

(Rs. In millions)

Particulars	**30.09.2007**	**31.03.2007**	**31.03.2006**	**31.03.2005**	**31.03.2004**	**31.03.2003**
Interest on Bank Deposits	0.13	0.84	0.47	0.24	0.11	0.20
Hire Charges received	3.90	6.28	1.03	-	-	-
Gain in Foreign Exchange Transaction	4.38	0.31	0.22	-	-	-
Dividend on Investment	0.21	0.19	0.19	0.19	0.08	0.00
Miscellaneous Income	-	0.14	0.37	0.03	-	0.01
Export Incentives - Duty Drawback	6.94	6.63	2.46	0.96	0.62	0.61
Total	**15.56**	**14.39**	**4.74**	**1.42**	**0.81**	**0.82**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF FINANCIAL OPERATIONS

The following discussion and analysis is derived from and should be read together with the restated standalone financial statements of our Company for the years ended March 31, 2003, 2004, 2005, 2006, 2007 and for the period ended on September 30, 2007 included elsewhere in this Prospectus. The financial Statements are prepared in accordance with Indian GAAP, the Companies Act and the SEBI (DIP) Guidelines and restated as described in Auditors' Report of M/s. Rajendra K. Gupta & Associates, Chartered Accountants dated December 30, 2007.

Industry Overview

Textiles exports contribute 16.63% to the country's total exports earnings, and India's share in the global textiles and apparel market is 3.9% and 3%, respectively. The textiles exports basket consists of readymade garments, cotton textiles, textiles made from man-made fibre, wool and woollen goods, silk, handicrafts, coir, and jute. *(Source: Ministry of textile Annual Report 2006-2007)*

Apparel is the fashion segment, and much more - how people dress is a reflection of the economic, social and lifestyle changes taking place in society; and convincing people on how they ought to dress sets in motion a chain of socioeconomic processes that ultimately take the society a step higher on the development plan. The apparel industry, manufacturers, brands, retailers and marketers are, therefore, required to keep innovating on there products and services in anticipation of the fast- changing consumer preferences. Anticipation carries with it an element of risk and this makes it necessary for the industry to keep a track of major changes in apparel trends for consumer preferences and emergent opportunities. *(Source: IMAGES Yearbook 2007 Volume IV No 1)*

India's domestic market for clothing, textiles and fashion accessories is currently worth Rs 113,500 crore, which is 9 per cent of the overall retail market (USD 270 billion) as per the India retail report 2007 estimates. Nearly 19 per cent of this market is organized. India's organized retail market is worth Rs 55,000 crore, and clothing, textiles and fashion accessories account for 39 per cent of this organized market. Only 13.6 per cent of this market was organized 2004, when it was valued at Rs 10,900 crore. *(Source: IMAGES Yearbook 2007 Volume IV No 1)*

The clothing, textiles and fashion accessories market has registered a steady year-on-year growth of 10.7 per cent during the last two years. Of the total Rs 113,500-crore market size, menswear takes up the lion's share at Rs 36,740 crore (32 per cent) *(Source: IMAGES Yearbook 2007 Volume IV No 1)*

Business Overview

We were incorporated in the year 1992 and are presently providing fashion fabrics and meeting ready to wear requirements of our customers in apparel, textile and retail segment.

We started our business from trading in textile and since 1998, we are conceptualising and designing fashion fabrics and outsourcing the manufacturing process of the same from countries like Turkey, Portugal, Mauritius and other European Countries. In the same year, we launched our seasonal fabric collections in textile under the name "Bodywaves", marketed through our own distribution channel to different brands and retailers.

We have ventured into ready-to-wear mens' segment in 2000 by outsourcing manufacturing process with our experience in designing fabrics and in turn selling to various international brands. We launched ready-to-wear mens' garnments under our brand name "Thomas Scott" in 2002. We started our own first apparels manufacturing unit in Bangalore in the year 2005 in the name of Reunion Clothing Company with an installed capacity of 350,000 pieces per annum and in the year 2006 we started our second manufacturing unit in the name of Formal Clothing Company with an installed capacity of 360,000 pieces per annum. At present we have installed capacity of 720,000 and 540,000 pieces per annum at our Reunion Clothing Company and Formal Clothing Company. Our products are presently retailed through 157 point of sales comprises of our own Retail outlets, Large format stores (LFS) like Shoppers' Stop, Pyramid, Globus, the LOOT, SAGA and Multi Brand Outlets (MBO) spread all over India. We also cater to the demand of various other apparel manufacturer and brands.

We have centralised warehousing and logistic centre at Kalher Village near Bhiwandi to facilitate our supply chain management of our business.

Income

Our total income comprises of income from operations, which includes:

- income from sale of apparels (manufactured and outsourced);
- income from sale of fabric (Outsourced)
- other income, which mostly comprises of interest income and lease rental

Sale of apparels

We design, manufactured and market the casual and formal shirts and trousers. Our apparels sales comprises of Retail sales of our brand "Thomas Scott" in India and overseas market. We also manufacture apparels for other brands and manufacturers in India as well as overseas customer.

Sale of fabrics

We design fabrics and after outsourcing it from the international market, supply it to the leading apparels manufacturers and brands.

Other Income

Other income includes income from, among other things, lease rental from the properties given on lease, interest earned from securities / bank deposits, duty drawback, forex rate fluctuation. Some of these incomes may be recurring in nature.

Expenditure

Our total expenditure is accounted for under the following heads:

Cost of material:

Cost of material includes raw materials purchased, consumables and accessories.

Manufacturing Expenses:

Manufacturing expenses include includes labour cost, job workers cost, washing, fabrication, finishing expenses of apparels; stores, spares and packing material consumed; machinery maintenance and freight on material purchased used in relation of production of finished apparels.

Administrative Expenses:

Our administrative and general expenses include office electricity charges, travel, insurance, rent, security, conveyance, entertainment/hospitality expenses, Directors' remuneration, and the costs of maintaining vehicles, legal/professional charges and auditor fees, provision for bad debt and other miscellaneous expenditure.

Interest and financial charges:

The finance charges incurred by us include interest payable by us for short term and long term loans including working capital loans, interest on unsecured loans, and processing fees for loans, bank guarantees, commission etc.

Depreciation:

This includes depreciation of building, plant and machinery, furniture, fixtures, motor vehicles, computers and certain other items used in factory, offices, Retail stores.

Taxation:

Income taxes are accounted for in accordance with AS-22 issued by the ICAI on "Accounting for Taxes on Income". Taxes comprise current tax, deferred tax and fringe benefit tax.

Factors affecting results of operations

Demand for our products

The sales volumes and prices for our apparels are influenced by the demand for these products in the domestic market. Demand for our products is influenced by factors such as quality of our products, fashion trends, consumer preferences, competition, pricing and sales promotion and the macroeconomic and retail environment in the markets of our operation. Changes in consumer preferences may change our product mix from period to period, which may impact our revenues and margins.

Growth of brand outlets

Success of any retail business lies in identifying the best possible location at most competitive cost. Our Company has to compete with large branded apparel retailers to book locations for our brand outlets on a continuous basis. Inability to book/find appropriate locations may impact our results of operation.

Managing Franchisee relationships

Currently we have only one franchisee relationship and now intend to open 49 other frachisee operated Retail outlets. There can be no assurance that we or these third parties will be able to establish or maintain adequate sales capabilities. If we are unable to maintain our relationships with our franchisees, then our ability to generate revenues through the sale of our products could be negatively impacted.

Competition and pricing pressures

Our business performance is subject to competition and pricing pressures especially considering various brands entering the market.

Price and availability of raw materials

We rely on third-party suppliers for fabric and consumables. Our raw material requirements include fabric, accessories and trims such as fasteners, buttons, labels, and other consumables. Fluctuations in the price, availability and quality of the fabrics or other raw materials used by us in our manufactured apparel could have a material adverse effect on our cost of sales or our ability to meet our customers' demands.

Working Capital intensity

Apparel retailing in India is highly working capital intensive. Ours being a backwardly integrated company (manufacturing and retailing), the working capital requirement, particularly inventory level requirements are relatively much higher. This can lead to significant drain on the cash flows of the company which in turn can affect the growth and/or profitability of our Company.

Internal control and systems

Our company has been growing at a rapid pace over the recent period. Managing this growth will require adequate internal control and systems. Lack of such adequate controls and systems can hamper the growth of our Company. Some of the other factors that may affect our business include potential labour disruptions, stability of economic policies and the political situation in India, changes in management, etc.

Results of operations

The following table sets forth for the periods indicated, certain items derived from our restated standalone financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100% as appropriate.

(Rs. in millions)

	30.09.07	31.03.07	% of Total Income	31.03.06	% of Total Income	31.03.05	% of Total Income	31.03.04	% of Total Income
Income									
Sales & Operating Income	542.17	718.68	97.41%	387.31	86.67%	168.85	94.30%	123.11	96.71%
Other Income	15.52	14.09	1.91%	4.74	1.06%	1.42	0.79%	0.81	0.64%
Increase/ (Decrease) in Inventories	(23.25)	5.04	0.68%	54.84	12.27%	8.79	4.91%	3.38	2.66%
Total Income	**534.44**	**737.81**	**100.00%**	**446.89**	**100.00%**	**179.06**	**100.00%**	**127.30**	**100.00%**
Expenditure									
Cost of Material	334.18	504.50	68.38%	309.49	69.25%	124.13	69.32%	93.81	73.69%
Manufacturing Expenses	62.76	63.34	8.58%	52.86	11.83%	19.78	11.05%	12.18	9.57%
Administrative Expenses	31.01	30.80	4.17%	32.03	7.17%	13.85	7.73%	9.82	7.71%
Interest and Financial Charges	17.37	25.46	3.45%	16.29	3.65%	7.46	4.17%	6.34	4.98%
Depreciation/ Amortisation	5.78	8.58	1.16%	3.64	0.81%	0.84	0.47%	0.46	0.36%
Total Expenditure	**451.10**	**632.68**	**85.75%**	**414.31**	**92.71%**	**166.06**	**92.74%**	**122.61**	**96.31%**
Profit before Tax	**83.34**	**105.13**	**14.25%**	**32.58**	**7.29%**	**12.99**	**7.25%**	**4.70**	**3.69%**
Provision for Taxation	26.17	36.72	5.11%	11.42	2.56%	5.27	2.94%	1.66	1.30%
Profit after Tax, as restated	**57.17**	**68.63**	**9.30%**	**21.50**	**4.81%**	**7.47**	**4.17%**	**2.92**	**2.29%**

Note: Figures in bracket denote negative numbers.

Financial for the period from April 1, 2007 to September 30, 2007

Income

Our sales comprises of apparels and textile sales. Our sales & operating income were Rs. 542.17 millions during 6-months period ended September 30, 2007 in comparison to Rs. 718.68 millions during financial year ended March 31, 2007.

Other Income were Rs. 15.52 millions during 6-months period ended September 30, 2007 in comparison to Rs. 14.09 millions during financial year ended March 31, 2007.

Cost of Material

Cost of material was Rs. 334.18 millions during six months period ended September 30, 2007, which was Rs. 504.50 millions during financial year 2006-07.

Operating Costs:

Administrative Expenses:

Administrative expenses for six months period ended September 30, 2007 was Rs. 31.01 millions in comparison to Rs. 30.80 millions during financial year 2006-07.

Interest and Financial charges:

Our interest and financial charges for six months period ended September 30, 2007 was Rs. 17.37 millions representing 3.25% of total income in comparison to interest and financial charges of Rs. 25.46 millions for the financial year 2006-07.

Depreciation:

Depreciation for six months period ended September 30, 2007 was Rs. 5.78 millions in comparison to Rs. 8.85 millions during financial year 2006-07.

Profit before Tax

Our profits before tax for six months period ended September 30, 2007 was Rs. 83.34 millions which was 15.59% of total income in comparison to Rs. 105.13 millions during financial year 2006-07.

Comparison between FY 2007 and 2006

Income

Our sales increased by 85.56% to Rs. 718.68 million in fiscal 2007 from Rs. 387.31 millions in fiscal 2006. Increase in Sales was mainly due to increase in apparels sales as we have increased our point of sales for our brand "Thomas Scott" stores, large format stores and MBOs and due to setting up of our new manufacturing unit in the name of Formal Clothing Company in Bangalore. Our apparels sales were increased to Rs. 356.59 millions in Fiscal 2007 from Rs. 151.42 millions in fiscal 2006 representing a growth of 135.50%. Our textile sales were also increased to Rs. 362.09 millions in fiscal 2007 from Rs. 235.89 millions in fiscal 2006 representing a growth of 53.50%.

Other income increased to Rs. 14.09 millions in fiscal 2007 from Rs. 4.74 millions in fiscal 2006. This was primarily due to increase in lease income to Rs. 6.28 millions in fiscal 2007 from Rs. 1.03 millions in Fiscal 2006 and increase in duty drawback to Rs. 6.64 millions in fiscal 2007 from Rs. 2.46 millions in fiscal 2006.

Cost of Material:

Cost of material increased to Rs. 504.50 millions in fiscal 2007 from Rs. 309.49 millions in fiscal 2006. As a percentage of sales cost of material was 70.20% in fiscal 2007 as against 79.91% in fiscal 2006. Decrease in raw material cost as percentage of sales was mainly on account of sourcing of fabric at a competitive price and better margin on sales.

Operating costs:

Administrative Expenses:

Our administrative expenses increased to Rs. 30.80 millions in fiscal 2007 from Rs. 32.03 millions in fiscal 2006. Administrative expenses were decreased to 4.17% of total income in fiscal 2007 from 7.17% of total income in fiscal 2006.

Interest and Financial charges:

Our interest and financial charges increased to Rs. 25.46 millions in fiscal 2007 from Rs. 16.29 millions in fiscal 2006. Interest and financial charges were increased due to increase in our working capital limits to Rs. 71.14 millions in fiscal 2007 from Rs. 26.58 millions in fiscal 2006.

Depreciation:

Depreciation and amortisation cost were increased to Rs. 8.58 millions in fiscal 2007 from Rs. 3.64 million in fiscal 2006. Our second manufacturing unit in the name of Formal Clothing Company was set up during the year, the addition in fixed assets in fiscal 2007 was Rs. 46.60 millions and therefore, depreciation including amortisation cost were increased by Rs. 4.94 millions. As a percentage of total income depreciation and amortisation cost were 1.16% in fiscal 2007 as against 0.81% in fiscal 2006.

Profit before Tax

Our profits before tax were increased to Rs. 105.13 millions in fiscal 2007 from Rs. 32.58 millions in fiscal 2006 representing growth of 222.68% during fiscal 2007. Profit before tax as percentage of total income increased to 14.25% in fiscal 2007 from 7.31% in fiscal 2006. The increase in profit before tax was mainly due to increase in sales and business of our Company.

Taxation:

The provision for taxation including FBT and deferred Tax were increased to Rs. 36.72 millions in fiscal 2007 from Rs. 11.42 millions in fiscal 2006. The increase in taxation is due to increase in profitability during fiscal 2007.

Profit after Tax:

Our profit after tax increased to Rs. 68.63 millions in fiscal 2007 from Rs. 21.50 millions in fiscal 2006, representing an increase of 219.21%. This is on account of increased sales in both apparels and textile. Profit after Tax as percentage of total income increased to 9.30% in fiscal 2007 from 4.81% in fiscal 2006.

<u>Comparison between FY 2006 and 2005</u>

Income

Our sales increased by 129.38% to Rs. 387.31 million in fiscal 2006 from Rs. 168.85 millions in fiscal 2005. Sales registered growth, primarily due to increase of sales in apparels segment by setting up of our new manufacturing unit in the name of Reunion Clothing Company in Bangalore. Our apparels sales were increased to Rs. 115.42 millions in Fiscal 2006 from Rs. 52.17 millions in fiscal 2005 representing a growth of 121.24%. Our textile sales were also increased to Rs. 235.89 millions in fiscal 2006 from Rs. 116.68 millions in fiscal 2005.

Other income increased to Rs. 4.74 millions in fiscal 2006 from Rs. 1.42 millions in fiscal 2005. This was primarily due to lease rent of Rs. 1.03 millions and increase in duty drawback by Rs. 1.50 millions.

Cost of material:

Cost of matereial increased to Rs. 309.49 millions in fiscal 2006 from Rs. 124.13 millions in fiscal 2005. As a percentage of sales our cost of material was almost same during these periods. The cost of material, however, increased due to increase in production and sales of apparels products.

Operating costs:

Administrative Expenses:

Our administrative expenses increased to Rs. 32.03 millions in fiscal 2006 from Rs. 13.85 millions in fiscal 2005. Administrative expenses were increased to 7.17% of total income in fiscal 2006 from 7.73% of total income in fiscal 2005 and this was primarily due to increase in business of the Company.

Interest and Financial charges:

Our interest and financial charges increased to Rs. 16.29 millions in fiscal 2006 from Rs. 7.46 millions in fiscal 2005. Interest and financial charges were increased due to increase in our working capital limits and availment of term loan from our bank for setting up of manufacturing unit in Bangalore. In fiscal 2006 we availed term loan of Rs. 35.00 millions and the working capital limits were increased to Rs. 26.58 millions from Rs. 12.42 millions in fiscal 2005. As a percentage of total income interest and financial charges were 3.65% in fiscal 2006 as against 4.17% in fiscal 2005.

Depreciation:

Depreciation cost increased to Rs. 3.64 millions in fiscal 2006 from Rs. 0.84 million in fiscal 2005. Our first manufacturing unit in the name of Reunion Clothing Company was set up in the fiscal 2006, the addition in fixed assets in fiscal 2006 was Rs. 73.07 millions and therefore, depreciation was increased by Rs. 2.80 millions. As a percentage of total income depreciation was 0.81% in fiscal 2006 as against 0.47% in fiscal 2005.

Profit before Tax

Our profits before tax were increased to Rs. 32.58 millions in fiscal 2006 from Rs. 12.99 millions in fiscal 2005. Profit before tax as percentage of total income increased to 7.31% in fiscal 2006 from 7.25% in fiscal 2005. The increase in profit before tax was mainly due to increase in sales.

Taxation:

The provision for taxation increased to Rs. 11.42 millions in fiscal 2006 from Rs. 5.27 millions in fiscal 2005. The increase in taxation is due to increase in profitability during fiscal 2006.

Profit after Tax:

Our profit after tax increased to Rs. 21.50 millions in fiscal 2006 from Rs. 7.47 millions in fiscal 2005, representing an increase of 221.13%. This is on account of increased sales in both apparels and textile. Profit after Tax as percentage of total income increased to 4.81% in fiscal 2006 from 4.17% in fiscal 2005.

Comparison between FY 2005 and 2004

Income

Our sales increased by 37.15% to Rs. 168.85 millions in fiscal 2005 from Rs. 123.11 millions in fiscal 2004. Sales were increased due to increase in apparels sales which was increased to Rs. 52.17 millions in fiscal 2005 from Rs. 20.14 millions in fiscal 2004. Other income increased to Rs. 1.42 millions in fiscal 2005 from Rs. 0.81 million in fiscal 2004. This was primarily due to increase in interest and dividend income and duty drawback.

Cost of material:

Cost of material increased to Rs. 124.13 millions in fiscal 2005 from Rs. 93.81 millions in fiscal 2004. As a percentage of sales our cost of material decreased to 73.52% in fiscal 2005 from 76.20% in fiscal 2004. This was primarily due to increase in volume of sales of apparels business and sourcing of textile at better prices.

Administrative Expenses:

Our administrative expenses increased to Rs. 13.85 millions in fiscal 2005 from Rs. 9.82 millions in fiscal 2004. As a percentage of total income Administrative expenses were increased to 7.73% in fiscal 2005 as against 7.71% in fiscal 2004, which was primarily due to increase in turnover.

Interest and Financial charges:

Our interest and financial charges increased to Rs. 7.46 millions in fiscal 2005 from Rs. 6.34 millions in fiscal 2004. Interest and financial charges were increased due to increase in our working capital limits. Our working capital limits were increased to Rs. 12.42 millions during Fiscal 2005 from Rs. 8.63 millions during Fiscal 2004.

Depreciation:

Depreciation cost increased to Rs. 0.84 million in fiscal 2005 from Rs. 0.46 million in fiscal 2004. The increase in depreciation is on account of addition of Rs. 2.78 millions in fixed assets in fiscal 2005.

Profit before Tax

Our profits before tax were increased to Rs. 12.99 millions in fiscal 2005 from Rs. 4.70 millions in fiscal 2004. The increase in profit before tax was due to increase in total income and sourcing of raw material at competitive prices. Profit before Tax as percentage of total income increased to 7.25% in fiscal 2005 from 3.69% in fiscal 2004.

Taxation:

The provision for taxation increased to Rs. 5.27 millions in fiscal 2005 from Rs. 1.66 millions in fiscal 2004. The increase in taxation is due to increase in profitability during that period.

Profit after Tax:

Our profit after tax increased to Rs. 7.47 millions in fiscal 2005 from Rs. 2.92 millions in fiscal 2004. Profit after Tax as percentage of total income increased to 4.17% in fiscal 2005 from Rs. 2.29% in fiscal 2004. This is on account of increased sales and profitability.

Financial Condition

Net worth

Our net worth was increased to Rs. 222.67 millions as on September, 30 2007 from Rs. 137.05 millions as on March, 31 2007, which is mainly on account of profit of Rs. 57.17 millions during the period and issue of 260000 equity share of Rs. 10/- each at a premium Rs. 115/- per share aggregating to Rs. 32.50 millions.

Assets

Our Gross fixed assets increased to Rs. 144.89 millions as on September 30, 2007 from Rs. 127.90 millions as on March 31, 2007 mainly because of addition in manufacturing capacity in both the manufacturing units.

Our current assets were increased to Rs. 638.30 millions as on September 30, 2007 from Rs. 385.09 millions as on March 31, 2007, mainly because of increase in debtors and loans and advances during that period. Debtors were increased due to increase in textile sales garment manufacturers before festival and wedding season. Loans & Advances were increased to Rs. 83.55 millions as on September 2007 from Rs. 70.30 millions as on March 31, 2007, mainly because of advance given to supplier for the goods.

Liabilities

Our secured loans were increased to Rs. 144.89 millions as on September 30, 2007 from Rs 127.90 millions as on March 31, 2007, mainly because of increase in cash credit limits to Rs. 111.97 from Rs. 71.14 millions.

Other Matters

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions that have significantly affected our business.

Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations except for changes in government policies including changes in tax structure.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except as described in the section titled "Risk Factors" on page no. iii and in "Management Discussion and Analysis of Financial Condition and Results of Operations" on page no. 134 of this Prospectus, to Company's knowledge.

Future changes in relationship between costs and revenues

Our success in opening new Retail outlets is largely dependent on procuring (either through lease agreement or franchisee) outlets at strategic locations at optimal price. Considering continuous upward trend in real estate prices and competition with other large retailers for acquiring quality real estate resources, our expansion plan and profitability will be affected in case we do not get quality outlets at desired prices.

Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of apparel and finished fabrics sold by our Company. Other than as described in this Prospectus, we do not have any new products or business segment.

Total turnover of each major industry segment in which the Company operated

The Company operates significantly in only one Industry Segment i.e. Textile and Apparel. For details, please refer to section titled "Industry Overview" on page no. 50 of this Prospectus.

Status of any publicly announced New Products or Business Segment

We have not announced any new products or business segment

Seasonality of Business

The retail industry is characterized by comparatively higher sales during the period between October to January, which is due to the festival season and sale during this period is adversely affected by low festival season sale, or weather conditions, or otherwise. Further, our income from sales of apparels is subject to seasonality of demand in India, which depends on factors such as change in weather conditions and festival celebrations.

Dependence on a single or few suppliers or customers

We are not dependent on any single or few suppliers or customers.

Competitive conditions

We believe that on account of our competitive strengths we are well positioned to enhance our position in the sector in which we operate.

Significant developments after September 30, 2007

In compliance with AS 4, to our knowledge no circumstances other than as disclosed in this Prospectus have arisen since the date of the last financial statements contained in the Prospectus which affected the results of operations.

SECTION VI - LEGAL AND OTHER INFORMATION

OUSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal prosecutions or civil proceedings or tax liabilities by or against our Company, our Directors, our Promoters and/or Promoter Group and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, its Subsidiaries, its Promoter or Directors.

LITIGATIONS AGAINST THE COMPANY

There are no litigations initiated and pending against the Company

LITIGATIONS FILED BY THE COMPANY

Civil Cases

Our Company has filed a Summary Suit (Suit No. 2404 of 2005) against one Mrs. Kanta Maheshwari, for the dishonour of certain cheques aggregating to Rs. 2.89 millions issued by her in favour of our Company for certain merchandise supplied by the Company. Our Company has filed this suit claiming the above amount along with interest at the rate of 18%. The Hon' ble Court passed an exparte decree dated July 17, 2006 in favour of the Company and we in the process of making an application to the Hon'ble Court for the execution of the decree.

Litigation by the Subsidiary Company ("Vedanta Creations Private Limited")

U/S 138 of the Negotiable Instruments Act

Vedanta Creations Private Limited (VCPL) has filed a complaint (Misc. No.167/2004) against M/s Apex International and one Mr. Wamique before the Additional Chief Metropolitan Magistrate, Mumbai for the dishonour of certain cheques aggregating to Rs. 0.55 millions issued in favour of the Company for the supply of assorted fabrics. VCPL has made an application before the Magistrate Court for issue of summons against Mr. Wamique. The matter is pending before the Court and shall come up for hearing in due course.

Litigation by and against the Promoters of the Company

There are no litigations against the Promoters of the Company. Our Promoters have not been restrained from accessing the capital market for any reasons by SEBI or other authorities

Litigation by and against the other Directors

There are no litigations against the Directors of the Company.

Litigation by/against the Promoter Group Companies/Entities

There are no litigations against the Promoter Group Entities of the Company. Our Promoters Group Entities have also not been restrained from accessing the capital market for any reasons by SEBI or other authorities

Pending dues of Small Scale Undertakings:

Our Company has total of Rs. 1.17 millions dues exceeding Rs. 0.1 Million outstanding for more than 30 days to the small-scale industrial undertaking (s) from Austin Packaging; Gautam Packaging, Malhotra Silk Mills, Shakshi International; Trinity Enterprises and Quality Corregation Industries.

Significant developments after September 30, 2007 that may adversely affect our future results of operations

In compliance with AS 4, to our knowledge no circumstances other than as disclosed in this Prospectus have arisen since the date of the last financial statements contained in the Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or their ability to pay their material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

The approvals listed below enable us to carry on our business activities and no further major approvals from any governmental or regulatory authority or any other entity is required to undertake the Issue or continue our present business activities, except the ones mentioned below. Unless otherwise stated, these approvals are all valid as on the date of this Prospectus. As regards the statutory approvals required for the setting up of our (i) new manufacturing unit near Bangalore, Karnataka (ii) expansion of our Retail outlets and (iii) warehouse facilities from the proceeds of the Issue, we shall be making the necessary applications to the appropriate government authorities as and when required under law.

Certification of Incorporation

- Certification of Incorporation dated June 1, 1992 was issued by Registrar of Companies, Mumbai, Maharashtra, certifying incorporation of Bang Overseas Private Limited as a private limited company.
- Fresh Certification of Incorporation dated February 4, 2005 was issued by Registrar of Companies, Mumbai, Maharashtra consequent to the conversion of the Company from private to public limited and the change of name pursuant to the same.

Factory License

- The Company has obtained a licence from Factory Joint Director, Bangalore for Unit I as its factory. The licence is valid from July 1, 2006 till December 31, 2008. The Factory License number is MYB15294.
- The Company has obtained a licence from Factory and Boiler Department, Bangalore for Unit II as its factory. The licence is valid from January 1, 2006 till December 31, 2007. The Factory License number is MYB14203.

SSI Registration

Our Company has obtained provisional registration certificate (under registration no. 08/01 AA-00-93A.) dated March 26, 2005, valid till March 25, 2010 for Unit II from the Director of Industries, Government of Karnataka for manufacturing/ processing of "Readymade Garments" at its factory located at Jigani Industrial Area, Anekal Taluk, Bangalore, Urban District.

Pollution Control

- The Company for Unit I has obtained the approval from Karnataka State Pollution Control Board under provisions of the Water (Prevention and Control of Pollution) Act, 1974 dated February 24, 2007 to discharge of sewage from Unit I at No.19/ 2, 9th Mile, Basapura Village, Begur Hobli, Electronic City Post, Bangalore - 560 100. This approval is valid from January 1, 2006 till December 31, 2015.
- The Company for Unit I has obtained the approval from Karnataka State Pollution Control Board dated February 24, 2007 under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 to operate their industrial plant at No.19/2, 9th Mile, Basapura Village, Begur Hobli, Electronic City Post, Bangalore - 560 100. This approval is valid from January 1, 2006 till December 31, 2015.
- The Company for Unit II has obtained the approval from Karnataka State Pollution Control Board dated March 14, 2007 under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 to operate their industrial plant at Jigani Industrial Area, Kallabalu Village, Jigani Hoblie, Anekal Taluk, Bangalore- 562 106. This approval is valid from January 1, 2007 till December 31, 2007. Our Company has made an application dated January 7, 2008 for renewal of this approval.
- The Company for Unit II has obtained the approval from Karnataka State Pollution Control Board under provisions of the Water (Prevention and Control of Pollution) Act, 1974 dated March 14, 2007 to discharge of sewage from Unit II at Jigani Industrial Area, Kallabalu Village, Jigani Hoblie, Anekal Taluk, Bangalore- 562 106 This approval is valid form January 1, 2007 till December 31, 2007. Our Company has made an application dated January 7, 2008 for renewal of this approval.

Sales Tax Registration

The Company has obtained registration certificate dated March 30, 1996 from notified authority under the Bombay Sales Tax Act, 1959 for carrying on business of importer and reseller of goods specified therein. The Bombay Sales Tax number of the Company is 400023S1973 and under Central Sales Tax, the registration number is 400023C1837 and the registration certificates are valid until cancelled.

Permanent Account Number

The Company has been allotted a permanent account number under the provisions of Income Tax Act, 1961. The permanent account number of the Company is AABCB2777M.

Tax Deduction Account Number

The Company has been allotted a tax deduction account number under the provisions of Income Tax Act, 1961. The tax deduction account number of the Company is MUMB12486F.

Service Tax Registration

- The Company has obtained certificate of registration under Section 69 of the Finance Act, 1994 dated February 25, 2005 from Department of Revenue (Superintendent Service Tax) for its business premises at 2nd Floor, Masjid Manor, 16, Homi Modi Street, Mumbai-400021 (registration number: GTR/MUM-I/445) in relation to taxable services of transport of goods by road and the assessee code is AABCB2777MST001.
- The Company has obtained certificate of registration under Section 69 of the Finance Act, 1994 dated February 25, 2005 from Department of Revenue (Superintendent Service Tax) for its business premises at 2nd Floor, Masjid Manor, 16, Homi Modi Street, Mumbai-400021(registration number: BAS/MUM-I/3565) in relation to taxable services of Business Auxiliary Service and the assessee code is AABCB2777MST001.
- The Company has obtained certificate of registration under Section 69 of the Finance Act, 1994 dated March 27, 2006 from Department of Revenue (Superintendent Service Tax) for its business premises at No. 204/205, Parvathy Plaza, No. 105, Richmond Road, Richmond Circle, Bangalore - 560025 (registration number: (GTA)/ AABCB2777MST002) in relation to taxable services of transportation of goods by road.
- The Company has obtained a certificate of registration under section 69 of the Finance Act, 1994 dated September 24, 2007 bearing no. AABCB2777MST003 from the Central Excise Officer for its business premises at No.19/ 2, 9th Mile, Basapura Village, Begur Hobli, Electronic City Post, Bangalore - 560 100 in relation to taxable services of Business Auxiliary Service.

Importer Exporter Code

The Company has obtained Importer Exporter Code vide letter dated April 10, 2006. The Importer Exporter Code of the Company is 0392021536.

Employees' State Insurance Registration

The Company has obtained registration dated January October 31, 2006 from the Regional Office of Employees' State Insurance Corporation, Bangalore under the provisions of Employees' State Insurance Act, 1948. The registration code of the Company is 53/23370/19.

Provident Fund Registration

- The Company has obtained registration under a certificate dated April 12, 2006 from the Regional Provisional Fund Commissioner, Maharashtra under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The establishment code number of the Company is M.H/BAN/48132.
- Unit I has obtained registration under a certificate dated October 19, 2006 from the Assistant Provident Fund Commissioner, Bangalore under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The establishment code number of the Company is KN/ 46107.
- Unit II has obtained registration under a certificate dated August 17, 2005 from the Assistant Provident Fund Commissioner, Bangalore under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The establishment code number of the Company is KN/ 34824.

Value Added Tax Registration

The Company has obtained certificate of registration under Section 22 of the Karnataka Value Added Tax Act, 2003 dated April 12, 2006 from Department of Commercial Taxes, Government of Karnataka for its business premises at

432/C, Shanthiniketan Hulimavu, ING Vysya Bank Colony, Bangalore- 560076 (TIN: 29210353413) and additional places of business as stated in the Form. The registration certificate is valid until cancelled.

The Company has been granted TIN number as 27360002078V for local sales and 27360002078C for central sales under the Bombay Sales Tax.

Professional Tax Registration

The Company has obtained certificate of registration under rule 3(2) of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 dated March 21, 2007 under certificate number PT/R/1/1/27/20191 for its business premises at 1st Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel in relation to be registered as an employer.

Shops and Establishment Licenses:

Our Company has obtained fresh registration (No.G/S-II-9570) of its corporate office under the Bombay Shops and Establishment Act, 1948 on February 2, 2007 which is valid upto the year 2009.

Intellectual Property Registrations:

Our Company obtained registration of our trade mark **"Thomas Scott"** under Class 18 (for leather and imitation of leather and goods made of animal skin, hides, trunks and travelling bags, umbrella, parasols and walking sticks, chips, hamess and saddlery) under a Certificate of Registration dated October 4, 2006. Our Company has obtained registration of this trade mark under Class 35 (for running of Retail stores and providing services relating to retail selling of goods and merchandise) under a Certificate of Registration dated February 19, 2007.

Our Company obtained registration of our trade mark "Thomas Scott" under Class 25 (for readymade garments, under garments and hosiery) under a Certificate of Registration dated June 2, 2007. Further, we have now applied for registration of our trade mark "Miss Scott" under class 25 with the Trade Mark Registry, Mumbai.

Approvals to be applied for:

(A) Approvals for the proposed new unit:

Our Company plans to set up a manufacturing Unit (***"new unit"***) in the Karnataka Industrial Area Development Board (KIADB), Kolar District, Karnataka from the proceeds of the IPO issue. The Company shall inter alia require the following approvals and licenses for establishing the new unit:

- Various permissions of the KIADB for construction and setting up of the new unit;
- Factory & Boilers License under the Factories Act, 1948;
- Pollution control approvals from the Pollution Control Board, Karnataka for various manufacturing activities to be undertaken at the new unit viz. dyeing, washing, discharge of sewage and effluents;
- Registration under the VAT;
- Power Supply from Bangalore Electricity Supply Company Limited (BESCOM) estimated at 750 KVA DG set.
- Such other necessary approvals

(B) Approvals for our Retail Outlets:

Our Company shall make requisite approvals for registration with the local and state government authorities, where applicable, for the setting up the Retail outlets of our Company as and when they are established.

(C) Approvals for our Warehouses:

Our Company shall make appropriate applications for the registration of the warehouses proposed to be purchased from the proceeds of the Issue with concerned local or state government authorities on or after the purchase of the same by our Company.

Approvals not applied for:

Our Company has not made any application for the registration of its existing Retail outlets and registered office with concerned local authority as required under Bombay Shops and Establishment Act.

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the issue

The Issue of Equity Shares in the Issue by the Company has been authorised by the resolution of the Board of Directors passed at their meeting held on May 2, 2007 subject to the approval of shareholders through a special resolution is to be passed pursuant to Section 81(1A) of the Companies Act, 1956. The shareholders approved the issue at the Extra Ordinary General Meeting of the Company held on May 28, 2007.

Prohibition by SEBI

Neither the Company, nor its Promoters, its Directors, any of its Promoter Group Companies, its Subsidiary, and the companies or entities with which Directors of the Company are associated, as directors or promoters, have been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI.

None of the Promoters, their relatives, the Company, its Subsidiary, its Directors or the Promoter Group Companies are detained as willful defaulters by RBI/Government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

Eligibility for the issue

Our Company is not eligible for the Issue under Clause 2.2.1 of the SEBI Guidelines as under:

- Our Company has net tangible assets of atleast Rs. 300.00 lakhs in each of the 3 preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.
- Our Company has had a pre-issue net worth of not less than Rs. 100.00 lakhs in each of the three preceding full years (of 12 months each).
- Our Company has had a track record of distributable profits as per Section 205 of the Companies Act, 1956, for atleast three out of the immediately preceding five years.
- The proposed issue size exceeded five (5) times the pre-issue net worth of our Company as per the audited accounts for the year ended March 31, 2006.
- Our Company has not changed its name within the last one year.

The net tangible assets, monetary assets, distributable profits and net worth as derived from the restated financial statements prepared in accordance with SEBI Guidelines, for the last five financial years ended March 31, 2007 is set forth below:

(Rs in millions)

Financial Year	**2006-07**	**2005-06**	**2004-05**	**2003-04**	**2002-03**
Net Tangible Assets	254.78	132.36	57.55	31.72	28.3
Monetary Assets	11.34	10.39	3.04	4.17	3.34
Monetary Assets as a Percentage of Net Tangible Assets	4.45%	7.85%	5.28%	13.15%	11.80%
Distributable Profits	68.63	21.50	7.47	2.92	0.34
Net Worth	**137.05**	**65.39**	**43.67**	**22.86**	**19.86**

a) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), investment, current assets (excluding deferred tax assets) less current liabilities & provisions and unsecured loans (excluding deferred tax liabilities and long term liabilities).

b) Monetary assets include cash & bank balances.

c) The distributable profits of the company as per section 205 of the Companies Act have been calculated from the restated Financial Statements.

d) Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off, if any)

The Company is eligible for the Issue in accordance with Clause 2.2.2 of SEBI Guidelines, as explained below:

Clause 2.2.2 of SEBI Guidelines states as follows:

"An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

(a)(i) The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a)(ii) The "project" has at least 15% participation by Financial Institutions / Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.

AND

(b)(i) The minimum post-issue face value capital of the company shall be Rs. 100 million.

OR

(b)(ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;

(c) The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company)"

The Company is an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and is therefore required to meet both the conditions detailed in Clause 2.2.2(a) and 2.2.2(b) of SEBI Guidelines.

- The Company will comply with Clause 2.2.2(a)(i) of SEBI guidelines and at least 50% of the Issue is proposed to be allotted to QIBs and in the event the Company fails to do so, the full subscription monies, shall be refunded to the Bidders.
- The Company will comply with second proviso to Clause 11.3.5(i) of SEBI guidelines; accordingly, Non-Institutional Bidders and Retail Individual Bidders will be allocated not less than 15% and 35% of the Issue, subject to valid bids being received.
- The Company will comply with Clause 2.2.2(b)(i) of SEBI guidelines and the post-issue face value capital of the Company shall be Rs. 135.60 millions which is more than the minimum requirement of Rs. 10 crore (Rs. 100 millions).

Further, in accordance with Clause 2.2.2A of the SEBI guidelines, the Company shall ensure that the number of prospective allottees to whom the equity shares will be allotted will not be less than 1,000, failing which the entire application monies will be refunded forthwith. In the event that there is any delay in refunding application monies, the Company shall pay interest on the application moneys at the rate of 15% per annum for the period of delay.

Accordingly, the Company is eligible for the Issue under Clause 2.2.2 of SEBI guidelines.

SEBI Disclaimer clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT

FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

    (a) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

    (b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

    (c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTIONS 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956.

Disclaimer from the Issuer Company and the Book Running Lead Manager

The Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisement or any other material issued by or at its instance and that anyone placing reliance on any other source of information, including website of the Company, www.banggroup.com would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Book Running Lead Manager, Almondz Global Securities Limited and our Company dated July 12, 2007 and the Underwriting agreement to be entered into between the Underwriters and our Company.

All information shall be made available by the BRLM and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centres or elsewhere.

Neither the Company nor BRLM or Syndicate Members shall be liable to the Bidders for any failure in downloading the bids due to faults in any software/ hardware system or otherwise.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860,as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to NRIs on non-repatriable basis and FIIs registered with SEBI. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession this Prospectus comes into is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where permission would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act ("the Securities Act") or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the Equity Shares are only being issued and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

Disclaimer clause of Bombay Stock Exchange limited (BSE, the Designated Stock Exchange)

Bombay Stock Exchange Limited (the Exchange) has given vide its letter dated September 14, 2007 permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref: NSE/LIST/59049-8 dated October 25 2007, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinised this Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuers securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC situated at the Registrar of Companies, Maharashtra at Mumbai.

Listing

The initial listing applications have been made to Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. The Bombay Stock Exchange Limited (BSE) will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Prospectus and if such money is not repaid within eight days after the day from which the Issuer becomes liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

The Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalization and adoption of the basis of allotment for the Issue.

Consents

Consents in writing of Directors, the Compliance Officer, Company Secretary, the Statutory Auditors, Bankers to the Company, Book Running Lead Manager, Registrars, Escrow Bankers / Bankers to the Issue, Legal advisors, Syndicate Members, Underwriters to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of this Prospectus with the Registrar of Companies, as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of a copy of this Prospectus, for registration with the Registrar of Companies, Maharashtra at Mumbai.

M/s. Rajendra K. Gupta & Associates, Statutory Auditors, have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Prospectus and also tax benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of delivery of this Prospectus for registration with the Registrar of Companies, Maharashtra at Mumbai.

Expert opinion

No opinion of any expert has been obtained by the Company, except that of Rajendra K. Gupta & Associates, Statutory Auditors of the Company and Rajani Associates, Advocates & Solicitors, Legal Advisors to the Issue.

Public issue expenses

The expenses for this Issue includes issue management fees, selling commission, underwriting commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated at approximately Rs.47.17 million details of which are as under:

(Rs. In millions)

	Activity (Rs. In millions)	Amount % Total Issue Size	% Total Issue Expenses
Issue Management Fees, Brokerage & Selling Commission	18.11	2.50%	38.39%
Fees payable to Registrars to the Issue	2.00	0.28%	4.24%
Fee for Legal Advisors to the Issue	0.50	0.07%	1.06%
Fee payable to Grading Agency for grading the Issue	0.56	0.08%	1.19%
Printing and Distribution of Issue Stationery	8.0	1.10%	16.96%
Advertising and Marketing expenses	15.00	2.07%	31.80%
Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	3.00	0.41%	6.35%
Total	**47.17**	**6.51%**	**100%**

Fees payable to the BRLM, underwriting, brokerage and selling commission

The total fees payable to the BRLM including brokerage and selling commission for the Issue will be as per the engagement letter(s) dated May 29, 2007 is available for inspection at the Registered Office of the Company.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar dated June 7, 2007 copy of which is available for inspection at the Registered Office of the Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Previous public and rights issues

The Company has not made any public or rights issue since its inception.

Previous issues of shares otherwise than for cash

The Company has not issued shares for consideration other than for Cash, except as stated in the title "Capital Structure" on page no. 15 of this Prospectus.

Commission and brokerage paid on previous issues

Since this is the initial public issue of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of Equity Shares of the Company since its inception.

DETAILS OF CAPITAL ISSUE MADE DURING LAST THREE YEARS IN REGARD TO THE ISSUER COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1)(B) OF THE COMPANIES ACT, 1956.

There have been no capital issues during last 3 years by our Company and other listed companies under the same management within the meaning of Section 370(1)(B) of the Act at present or during the last three years.

Option to subscribe

Equity Shares being issued through this Prospectus can be applied for in Dematerialized form only.

Promise vis-à-vis performance

Our Company has not made any Issue.

Listed ventures of promoter

Our promoter does not have any listed ventures.

Outstanding debentures, bonds, redeemable preference shares or other instruments

The Company since its incorporation has not issued any Redeemable Preference shares and debentures, bonds or other instruments.

Stock market data for equity shares of the company

This being the Initial Public Issue of Bang Overseas Limited, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The Company has appointed Karvy Computershare Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with Compliance Officer of the Company. All grievances relating to the present issue may be addressed to the registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and Bidder/Bank branch where the application was submitted. The Company will monitor the work of the Registrar to ensure that the grievances are settled expeditiously and satisfactorily.

Disposal of investor grievances

Karvy Computershare Private Limited, the Registrars to the Issue, will handle investor grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with Registrar to the Issue in attending to the grievances of the investors. The Company assures that the Board of Directors, in respect of the complaints, if any, to be received, shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Taken
1.	Non-receipt of refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address notification	Within 7 days of receipt of Information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details

The Company has appointed Mr. Jaydas Dighe, as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre issue/post issue related problems. The Compliance Officer can be contacted at the following address:

Compliance Officer

Mr. Jaydas Dighe
Vice President (Finance)
144, Kewal Industrial Estate,
Ist Floor, Senapati Bapat Marg,
Lower Parel (W),
Mumbai -400 013, India.
Tel.: +91-22-5660 7965
Fax: +91-22-5660 7970
Email: dighe@banggroup.com

Changes in auditors

There has been no change in the Auditors of the Company during the last three years

Capitalization of reserves or profits (during the last five years)

The Company has not capitalized its profits or reserves at any time except as stated in the section titled "Financial Statement" and "Capital Structure" on page no. 103 and 15 of this Prospectus.

Revaluation of assets (during the last five years)

The Company has not revalued its assets during the last five years.

SECTION VIII - ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Public issue is of 3500,000 Equity Shares of Rs. 10 each for cash at a price of Rs. 207per Equity Share aggregating to Rs. 724.50 millions including Employee Reservation of 100,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 207 per Equity Share aggregating to Rs. 20.70 millions (hereinafter referred to as "Employee Reservation Portion). The Issue less Employee Reservation Portion shall be 3,400,000 Equity Shares of Rs. 10/- each (hereinafter referred to as the "Net Issue" to public). The Issue will constitute 25.81% of the fully diluted post-Issue paid up capital of our Company.

	QIBs	Non-Institutional Bidders	Retail individual Bidders	Employee Reservation Portion
Number of Equity Shares available for Allocation*	At least 1,700,000 Equity Shares	Not less than 510,000 Equity Shares or Issue Size less allocation to QIB Bidders and Retails Individual Bidders available for allocation, subject to valid Bids being received at or above the Issue Price.	Not less than 1,190,000 Equity Shares or Issue Size less allocation to QIB Bidders and Non-Institutional Bidders available for allocation, subject to valid Bids being received at our above the Issue Price.	Upto 100,000 Equity Shares
Percentage of Issue Size Available for allocation	At least 50% of the Net Issue Size being allocated. However, 5% of the QIB portion shall be available for allocation proportionaely to Mutual funds only. Mutual Funds participating in the 5% reservation in the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of Net Issue Size or Net Issue less allocation to QIB Bidders and Retail Individual Bidders available for allocation, subject to valid Bids being received at our above the Issue Price.	Not less than 35% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders available for allocation, subject to valid Bids being received at our above the Issue Price.	Upto 2.86% of Issue Size
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: a. Equity Shares shall be allocated on proportionate basis to Mutual Funds in the Mutual Fund portion; b. Equity Shares shall be allocated on proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of 30 Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	Such number of Equity Shares in multiples of 30 Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	30 Equity Shares and thereafter in multiple of 30 Equity Shares	30 Equity Shares and thereafter in multiple of 30 Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of 30 Equity Shares so that the Bid amount does not exceed the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of 30 Equity Shares so that the Bid amount does not exceed the Issue, subject to applicable limits.	Such number of Equity in multiples of 30 Equity Shares so that the Bid amount does not exceed Rs. 1,00,000	Such number of Equity Shares so as to ensure that the Bid does not exceed 100,000 Equity Shares.

	QIBs	Non-Institutional Bidders	Retail individual Bidders	Employee Reservation Portion
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode
Trading Lot	One	One	One	One
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable laws.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts.	Individuals including NRIs and HUFs (in the name of the Karta) applying for Equity Shares such that the Bid amount does not exceed Rs. 100,000 in value.	Eligible Employees
Terms of Payment	Margin Money applicable to QIB Bidders at the time of submission of Bid cum Application Form to the BRLM.	Margin Money applicable to Non institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	10% of the bid amount	100% of the Bid amount	100% of the Bid amount	100% of the Bid amount

* The Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 100,000 Equity Shares shall be available for allocation on a proportionate basis to Employees, subject to valid Bids being received at our above the Issue Price. Any under-subscription in the Employee Reservation Portion will be added back to the categories of Non-Institutional Bidders and Retail Individual Bidders in the ratio of 50:50. If the aggregate demand in the Employee Reservation Portion is greater than 100,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis, provided that the maximum allotment to any Employee shall be capped at upto 100,000 Equity Shares.

Undersubscription, if any, in the Non-Institutional and Retail portion, would be allowed to be met with spill-over from any other category or combination at the sole discretion of the Company in consultation with the BRLM.

** In case the bid cum application form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the bid cum application form.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price

Bidders are required to submit their Bids through the Syndicate Members only. Further QIB Bids can be submitted only through the BRLM. In case of QIB Bidders, our Company in consultation with BRLM may reject Bid at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories, is as follows:

Category	Colour of Bid-cum-Application Form
Indian Nationals or NRIs applying on a non-repatriation basis	White
Eligible Employees	Pink
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Who Can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three) or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
2. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.
4. Companies and corporate bodies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;

6. Mutual funds registered with SEBI;
7. Indian financial institutions, commercial banks,, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
8. FIIs registered with SEBI;
9. Venture capital funds registered with SEBI;
10. Foreign venture capital investors registered with SEBI, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue;
11. State Industrial Development Corporations;
12. Insurance companies registered with the Insurance Regulatory and Development Authority;
13. As permitted by the applicable laws, Provident funds with minimum corpus of Rs. 250 millions and who are authorized under their constitution to invest in Equity Shares;
14. Pension funds with minimum corpus of Rs. 250 millions and who are authorized under their constitution to invest in Equity Shares;
15. Multilateral and bilateral development financial institutions;
16. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws; and
17. Scientific and/or industrial research organizations in India authorized under their constitution to invest in equity shares.
18. Eligible Employees

As per existing regulations, OCBs are prohibited from investing in this Issue.

Note: The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations if any. However, associates and affiliates of the BRLMs and Syndicate Member are entitled to bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allotment will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 85,000 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from Registered Office of our Company, members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of post-issue paid-up capital of our Company (i.e., 10% of 13,560,000 Equity Shares). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of total issued capital or 5% of our total issued capital of our Company in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of the Company's total paid-up capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity

Bids by SEBI registered VCF and FVCI

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

The SEBI has issued a press release on 26 June, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Draft Red Herring Prospectus with the SEBI.

Bids and revision of Bids by non-residents including Eligible NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis must be made:

1. On the prescribed Bid cum Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected;
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details);
3. Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than Rs. 1,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; Other Non-Resident Bidders must bid for a minimum of such number of Equity Shares and in multiples of 30 Equity Shares thereafter that the Bid amount exceeds Rs. 1,00,000; for further details see "Maximum and Minimum Bid Size" at page no. 160 of this Prospectus.
4. In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modifications or changes in the applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 1,00,000. ***Bidders may note that the total Bid amount will be used to determine if a Bid is in the retail category or not, and not just the amount payable on Application.*** In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid amount does not exceed Rs. 1,00,000. In case the Bid amount is over Rs. 1,00,000 due to revision of the Bid or revision of the Price Band or on exercise of option to Bid at Cut-off price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of 30 Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs. 100,000 and in multiples of 30 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB margin amount upon submission of the Bid.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000, for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail Portion in respect of the Bids by Non-Institutional Bidders who are otherwise eligible for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

For Bidders in the Employee Reservation Portion

The Bid must be for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. However, in case of an oversubscription in the Employee Reservation Portion, the maximum allotment to any Employee will be capped at up to 100,000 Equity Shares. The maximum bid in this portion cannot exceed 100,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum bid in any of the Bidding Options not exceeding Rs. 100,000 may bid at Cut-Off price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

Information for the Bidders

a. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

b. Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005. The members of the syndicate shall accept bids from the bidders during the bidding/ issue period in accordance with the terms of the syndicate agreement.

c. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from the registered office of our Company or from the BRLM, or from a member of the Syndicate.

d. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Member or their authorized agent(s) to register their Bids.

e. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

f. The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.

g. The Price Band has been fixed at Rs. 200 to Rs. 207 per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One). In accordance with the SEBI Guidelines, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

h. In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by issuing published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the Book Runners and at the terminals of the members of the Syndicate.

i. We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of bidding

1. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page no. 162 of this Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

2. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph "Build up of the Book and Revision of Bids" on page no. 167 of this Prospectus.

3. The members of the Syndicate will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum application Form.

4. During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

5. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Account" on page no. 164 of this Prospectus.

Bids at Different Price Levels and Revision of Bids

1. The Price Band has been fixed at Rs. 200 to Rs. 207 per Equity Share of Rs. 10/- each, Rs. 200 being the lower end of the Price Band and Rs. 207 being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1 (One).

2. Our Company, in consultation with the BRLM, can revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines, in which case the Bidding Period shall be extended further for a period of three additional days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band should not be more than 20% of the Floor of the Price-band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus.

3. Any revision in the Price Band and the revised Bid /Issue Period, if applicable, will be widely disseminated by informing the stock exchanges, by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) and in one Marathi newspaper with a wide circulation and also indicating the change on the relevant website of the BRLM, Company and the terminals of the members of the Syndicate.

4. The Company, in consultation with the BRLM, can finalise the Issue Price within the Price Band, in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at "Cut-off". However, bidding at "Cut-off" is not permitted for QIB or Non Institutional Bidders who bid for and such Bids from QIBs and Non Institutional Bidders shall be rejected.

6. Retail Individual Bidders and Bidders in the Employee Reservation Portion who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in the Employee Reservation Portion bidding at Cut-off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Bidders in the Employee Reservation Portion, who bid at the Cut-off (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders and Bidders in the Employee Reservation Portion shall receive the refund of the excess amounts from the respective Refund Account.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion at Cut-off Price, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares bid for shall be adjusted down wards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Refund Account.

9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall be within the range of Rs. 5,000 to Rs. 7,000. The Company in consultation with the BRLM shall accordingly stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range.

10. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form, which is a part of the Bid cum Application Form.

11. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

12. The Bidder can make revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

13. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

14. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

15. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

(a) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form.

(c) The Bids from the Retail Individual Bidders must be for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter, subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 30 Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 30 Equity Shares. Bids cannot be made for more than the Net Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of 30 Equity Shares and in multiple of 30 Equity Shares thereafter subject to a maximum Bid of 100,000 Equity Shares.

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Application in the Issue

Equity Shares being issued through this Prospectus can be applied for in the dematerialized form only.

PAYMENT INSTRUCTION

Escrow Mechanism

1. The Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of the Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue and to the Refund Account as per the terms of the Escrow Agreement. Payment of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.
2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between the Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, shall provide the applicable Margin Amount, with the submission of the Bid-cum-Application Form by drawing a cheque, demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) as per the below terms:

(a) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held in the Refund Account for the benefit of the Bidders who are entitled to refunds.

(b) Each category of Bidders (i.e. QIBs, Non Institutional Bidders, Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form by way of a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. (For details please see the section titled "Issue Procedure - Payment Instructions" beginning on page 164 of this Prospectus. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 155. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

(c) Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date which shall be a minimum period of two (2) days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

(d) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date, failing which the Company shall pay interest @15% per annum for any delay beyond the periods mentioned above.

(e) The Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the member of the Syndicate.

(f) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of the Company within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.

(g) The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of:

(i) In case of resident QIB Bidders- "Escrow Account-BOL Public Issue - QIB-R"

(ii) In case of other resident Bidders - "Escrow Account-BOL-Public Issue - R"

(iii) In case of Non-Resident QIB Bidders- "Escrow Account-BOL- Public Issue-QIB-NR"

(iv) In case of other Non -Resident Bidders - "Escrow Account - BOL- Public Issue - NR"

(v) In case of Eligible employees - "Escrow Account - BOL-Public Issue-Employee"

(h) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

(i) In case of Bids by NRIs applying on non repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO account of a Non-resident bidder bidding on non repatriation basis Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account or an NRO account.

(j) In case of Bids by FIIs, FVCI's registered with SEBI the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

(k) Where a bidder has been allocated a lesser number of equity shares then the bidder has bid for, the excess amount, if any, paid on bidding, after adjusting towards the balance payable on equity shares allocated, will be refunded to the bidder from the refund amount.

(l) The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

(m) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

(n) Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal Orders will not be accepted.

(o) Bidders are advised to mention the number of the Bid Cum Application Form on the reverse of the cheque or demand draft to avoid misuse of the instrument submitted along with the Bid cum application Form.

Payment by Stock-invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5,2003, the option to use the stock-invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock-invest would not be accepted in this Issue.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one NSE/ BSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.

(b) The NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be displayed on-line at all bidding centers and the websites of NSE and BSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s): Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
- Investor Category - Individual, Corporate,QIB, NRI, FII, or Mutual Fund, etc.;
- Numbers of Equity Shares bid for;
- Bid price;
- Bid-cum-Application Form number;
- Whether Margin Amount, as applicable, has been paid upon submission of Bid-cum-Application Form; and
- Depository Participant Identification Number and Client Identification Number of the Beneficiary Account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) The BRLM/ member of the Syndicate have the right to accept the Bid or reject it in case of QIBs; however, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids should not be rejected except on the technical grounds listed on page no. 173 of this Prospectus.

(h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and/or NSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

(j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. **Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.**

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels.

(b) Our Company, in consultation with the BRLM shall finalise the "Issue Price" and the number of Equity Shares to be allotted in each category to Bidders.

(c) The allocation for QIBs would be at least 50% of the Net Issue, on a proportionate basis and availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 15% and not less than 35% of the Net Issue, respectively, on proportionate basis in the manner specified in the SEBI guidelines and this Prospectus and in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be allotted to QIBs then the entire application money will be refunded. The allocation under the Employee Reservation Portion would be on a proportionate basis, in the manner specified in the SEBI Guidelines and this Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being

(d) Any undersubscription in the Employee Reservation Portion would be included in the Net Issue. Undersubscription, if any, in any category of the Net Issue, other than the QIB portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company, in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 85,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.

(e) Allocation to Eligible NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions registered with SEBI applying on repatriation basis will be subject to the applicable laws, rules, regulations, guidelines and approvals.

(f) The BRLM, in consultation with the Company shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) In terms of SEBI DIP guidelines, QIB bidders shall not be allowed to withdraw their bid after the bid / issue closing date.

(h) The allotment details shall be put on the website of the Registrar.

Signing of Underwriting Agreement and ROC Filing

(a) Our Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with ROC

The Company will file a copy of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall after receiving final observation, if any, on the Draft Red Herring Prospectus with SEBI, and filing of the Red Herring Prospectus with RoC, publish an advertisement, in the form prescribed by the SEBI (DIP) Guidelines in two widely circulated newspapers (one each in English & Hindi) and a Marathi newspaper with a wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company in two widely circulated newspapers (one each in English & Hindi) and a Marathi newspaper with a wide circulation, after filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. Investor should note that our Company shall ensure that the demat credit of the Equity Shares pursuant to allotment shall be made on the same date to all investors in this Issue;

(b) The BRLM or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the full Bid Amount into the Escrow Account on or prior to the time of bidding shall pay in full amount into the Escrow Account on or prior to the Pay-in Date specified in the CAN;

(c) Such Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below in this Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared, by the Registrar, on the basis of, Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account of the allotted Equity Shares to the allottees within two working days of the date of finalization of the basis of allotment.

2. **As per the SEBI (DIP) Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

(a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Read all the instructions carefully and complete the Bid-cum-Application Form (white or blue or pink in colour) as the case may be;

(c) Ensure that the details about Depository Participant and Beneficiary Account are correct and the beneficiary account is activated, as allotment of Equity Shares will be in the dematerialized form only.

(d) Ensure that the Bids are submitted at the Bidding Centers only on forms bearing stamp of the Syndicate Member;

(e) Investors must ensure that the name given in the Bid cum Application form is exactly the same as the name in which the Depository account is held. In case the Bid cum Application Form is submitted in Joint names, it should be ensured that the Depository account is also held in the same Joint names and are in the same sequence in which they appear in the Bid cum Application Form.

(f) Ensure that you have been given a TRS for all your Bid options;

(g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;

(h) Ensure that the Bid is within the Price Band.

(i) Each Bidder should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act.

(j) Ensure that demographic details (as defined herein below) are updated true and correct in all respects.

Don'ts:

(a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;

(b) Do not Bid for lower than minimum Bid size;

(c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(e) Do not pay Bid amount in cash, money order, postal order or by stockinvest;

(f) Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders)

(g) Do not bid where bid amount exceeds Rs. 1,00,000 (for Retail Individual Bidders)

(h) Do not fill up the Bid cum Application Form for an amount that exceeds the Issue size and / or investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations or maximum amount permissible under the applicable regulations.

(i) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.

(j) Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground.

(k) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by QIB.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders bank account details, including the nine digit MICR code as appearing on a cheque leaf. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit to or ECS. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and such delay shall be at the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor BRLM shall be liable to compensate for the losses caused to the Bidders due to any such delay or liable to pay any interest for such delay.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS, Direct Credit , RTGS or NEFT and occupation (hereinafter referred to as "Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used any other purposes by the Registrars to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed at the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, bidders may note that refunds may get delayed if bank particulars obtained from the depository participants are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company and/or the Book Runners will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered Societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid. in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by provident fund with the minimum corpus of Rs. 250 millions (subject to applicable law) and pension fund with the minimum corpus of Rs. 250 millions, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made pursuant to Power of Attorney by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as the Company and the BRLM may deem fit.

The Company in its absolute discretion reserves the right to permit the holder of the power of attorney to request the Registrar to the issue that for the purpose of printing particulars on the refund order and mailing of the refund order/ CAN's/ allocation advice, the Demographic details given on the Bid cum application form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic details as given on the Bid cum application form instead of those obtained from the Depositories.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts equivalent to the margin amount shall be submitted to the Members of the Syndicate at the time of submitting the Bid-cum-Application Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, illustrations of certain procedures, which may be followed by the Registrar to the Issue to detect multiple applications, are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file, which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar will obtain, from depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applicants in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the application processed. A print-out of the addresses will be taken to check for common names. The application with same name and same address will be treated as multiple applications.

5. The applications will be scrutinized for their DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of multiple master will be taken and applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

The Bidders or in the case of Bids made in joint names, each of the Bidder, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. SEBI has issued a Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007 requiring that with effect from July 2, 2007 the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. In case the PAN has not been allotted, mention "Applied for" or "Not Applicable" in the appropriate places and submit Form 60 or Form 61 as the case may be. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving licence (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject a Bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of submission of the Bid and the reasons therefore shall be disclosed to the QIB Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;

2. Age of First Bidder not given;

3. In case of Partnership firms, the shares may be registered in the name of individual partners and no such partnership firm, shall be entitled to apply.

4. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;

5. PAN not stated or Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given alongwith the Bid;

6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at cut-off price by Non-Institutional and QIB Bidders and such Bidders in the Employee Reservation Portion whose maximum Bid exceeds Rs. 100,000.
10. Bids for number of Equity Shares, which are not in multiples of 30;
11. Category not ticked;
12. Multiple bids as defined in the Red Herring Prospectus;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stock invest/money order/ postal order/ cash;
15. Signature of sole and/or joint Bidders missing;
16. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Member;
17. Bid-cum-Application Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form; or
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations.
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's account number;
21. Bids by OCBs;
22. Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance Regulation S under the Securities Act;
23. Bids by QIBs not submitted through BRLM or members of the syndicate:
24. Bids by NRIs not disclosing their residential status;
25. If GIR number is mentioned instead of PAN number:
26. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
27. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
28. Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws, or by any persons who are not eligible to acquire Equity Shares of the Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among the Company, the Depositories and the Registrar,

1. An Agreement dated December 28, 2007 among NSDL, our Company and Registrars to the Issue.
2. An Agreement dated November 19, 2007 among CDSL, our Company and Registrars to the Issue.

All Bidders can seek allotment only in Dematerialized mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
3. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account details of the Bidder(s) with the Depository.
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
8. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in respective beneficiary accounts, refund orders etc.

Procedure and Time Schedule for Allotment

The Issue will be conducted through a "100% book building process" pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on January 28, 2008 and expire on January 31, 2008. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to 1,190,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the valid Bids in this category is greater than 1,190,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 30 Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non- Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to 510,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the valid Bids in this category is greater than 510,000 Equity Shares at or above the Issue Price; allocation shall be made on a proportionate basis up to a minimum of 30 Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allotment refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIBs will be made at the issue price.
- The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 85,000 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 85,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders.
- The allotment shall be undertaken in the following manner -

(a) In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-

- In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
- In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the issue price.
- Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;

(b) In the second instance, allocation to all QIBs shall be determined as follows -

- In the event that the over subscription in the QIB portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
- Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

D. For Employee Reservation Portion

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 100,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 100,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 30 Equity Shares. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees may apply for Equity Shares under the Employee Reservation Portion.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

S. No.	**Particulars**	**Issue details**
1	Issue size	10 millions Equity Shares
2	Allocation to QIB (minimum 50% of the Issue) Of which:	5 millions Equity Shares
	a. Reservation For Mutual Funds, (5%)	0.25 millions Equity Shares
	b. Balance for all QIBs including Mutual Funds	4.75 millions Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	25 million Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in millions)
1	A1	2.5
2	A2	1.0
3	A3	6.5
4	A4	2.5
5	A5	2.5
6	MF1	2.0
7	MF2	2.0
8	MF3	4.0
9	MF4	1.0
10	MF5	1.0
	TOTAL	**25**

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in millions)

Type of QIB bidders	Shares bid For (in millions)	Allocation of 0.25 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 4.75 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	2.5	0	0.48	0
A2	1.0	0	0.192	0
A3	6.5	0	1.248	0
A4	2.5	0	0.480	0
A5	2.5	0	0.480	0
MF1	2.0	0.050	0.374	0.424
MF2	2.0	0.050	0.374	0.424
MF3	4.0	0.100	0.748	0.848
MF4	1.0	0.025	0.187	0.212
MF5	1.0	0.025	0.187	0.212
	25.0	**0.250**	**4.750**	**2.120**

Please note:

1. The illustration presumes compliance with the requirements specified in this Prospectus in the section titled "Issue Structure" beginning on page no. 155 of this Prospectus.
2. Out of 5 million Equity Shares allocated to QIBs, 0.250 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 10 million shares in the QIB Portion.
3. The balance 4.75 million Equity Shares [i.e. 5.00 - 0.25 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 25 million Equity Shares (including 5 Mutual Fund applicants who applied for 10 million Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 4.75 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
   - i. For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 4.75/24.75
   - ii. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 4.75/24.75

The numerator and denominator for arriving at allocation of 4.75 million Equity Shares to the 10 QIBs are reduced by 0.25 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allocation

In the event of the issue being over-subscribed, our Company shall finalize the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner

Bidders will be categorized according to the number of Equity Shares applied for by them and the allotment shall be made on a proportionate basis as explained below:-

(a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

(c) If the proportionate allotment to a Bidder is a number that is more than 30 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

(d) In all Bids where the proportionate allotment is less than 30 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of 30 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

(e) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Disposal of Applications and Applications Money and Interest in case of Delay

Our Company shall ensure dispatch of allotment advice, refund orders (except for Bidders who receive refunds through Electronic Transfer of Fund) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of date of finalization of basis of allotment of Equity Shares. Our Company shall dispatch refund orders above Rs. 1500/-, if any, by registered post or speed post at the sole or first bidder's sole risk. In case of Bidders who receive refunds through ECS, or RTGS or Direct Credit or NEFT, the refund instructions will be given to the clearing system and a suitable communication shall be sent to such Bidders within 15 days from the Bid/Issue Closing Date.

We undertake that all steps will be taken for completion of necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of basis of allotment.

The Company shall despatch refund orders, as per the procedure mentioned under section "Dispatch of Refund Orders" on page no. 181 of this Prospectus, at the sole or First Bidder's sole risk.

The Company will provide adequate funds required for dispatch of refund orders or for credit of refunds, as the case may be, to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid /Issue Closing Date; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 days time period as mentioned above), if allotment is not made, refund orders are not dispatched, credit intimation are not dispatched and in case where refund is made through electronic mode, the refund instructions have not been given to the clearing system in the disclosed manner and / or demat credits are not made to investors within the fifteen day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Save and except for refunds effected through an electronic mode ie ECS, NEFT,Direct Credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within 2 working days of finalisation of the basis of allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall dispatch refund orders, if any, of value upto Rs. 1,500 by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or first Bidder's sole risk within 15 days of the Bid / Issue Closing date. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through "Under Certificate of Posting" within 15 days of closure of issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid / Issue Closing Date at the sole or First Bidder's sole risk; and

- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders have not been dispatched to the applicants or if, in case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from Bid / Issue closing date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue as per the mode disclosed under "Dispatch of Refund Order" appearing on page no. 181 of this Prospectus.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPATCH OF REFUND ORDERS

The payment of refund, if any, would be done through various modes in the following order of preference -

1. ECS - Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkatta, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR Code as appearing on a cheques leaf from the Depositories. The payment of refunds is mandatory through this mode for applicants having a bank account at any of the above-mentioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS or NEFT. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by the Registrar from the Depository participant.

2. Direct Credit - Applicants having bank accounts with the Refund Bankers, shall be eligible to receive funds through direct credit. Charges, if any, levied by the Refund Bankers for the same would be borne by the Company.

3. RTGS - Applicants having a bank account at any of the above-mentioned fifteen centers and whose refund amount exceeds Rs. One million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Bid-cum-Application form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the refund banks for the same would be borne by the Company. Charges, if any, levied by the applicants' bank receiving the credit would be borne by the applicant.

4. NEFT - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. Refund Orders - For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in 1, 2, 3 & 4 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be dispatched "Under Certificate of Posting" for refund orders of value upto Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**MONDAY, JANUARY 28, 2008**
BID/ISSUE CLOSES ON	**THURSDAY, JANUARY 31, 2008**

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bid/ Issue Period as mentioned above at the bidding centres mentioned in the Bid cum application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. Bids will be accepted only on working days i.e. Monday to Friday (excluding public holidays). Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded. Such Bids that cannot be uploaded will not be considered for allocation under the Issue and the Issuer / BRLM and the Syndicate Member will not be responsible for such Bids not being uploaded. Bids will only be accepted on working days i.e. Monday to Friday (excluding any public holiday).

On the Bid / Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of the timing for acceptance of Bid-cum-Application Form as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the web site of the Book Runners and at the terminals of the Syndicate.

UNDERTAKING BY THE COMPANY

Our Company undertake as follows:

(a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;

(b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;

(c) that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Dispatch of Refund Orders" on page no. 181 of this Prospectus shall be made available to the Registrar to the Issue by our Company;

(d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of Issue, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;

(e) that the promoter's contribution in full, shall be brought in advance before the issue opens for public subscription;

(f) that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and

(g) that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Prospectus are listed or until the Bid Money's are refunded on account of non-listing, under-subscription etc.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors of the Company certifies that:

(a) all monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(b) details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilized;

(c) details of all unutilized monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested;

(d) Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both "qualified institutional buyers", as defined in Rule 144A of the Securities Act and "qualified purchasers" as defined under the Investment Company Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. The Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However we shall update the Red herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Capitalised terms used in this section have the meaning given to such terms in the Articles of the Company.

Pursuant to Schedule II of the Companies Act, 1956 and the SEBI (DIP) Guidelines, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares and or their consolidation/splitting are required to be stated. The regulations contained in Table A of Schedule I of the Companies Act, 1956, shall apply to our Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Article of Association of our Company.

Authorised Share Capital

3. The Authorised Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores) divided into 1,60,00,000 (One Crore Sixty Lacs) equity shares of Rs. 10/- each, with a power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively and preferential rights, privileges, conditions or restrictions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may be for the time being provided by regulations of the company and the statutory provisions for the time being in force.

Increase of Capital by the Company and how carried into effect

4. The Company at the General Meeting may, from time to time, increase the capital by creation of new shares; such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with, and if the act allows without, a right of voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

New Capital same as existing capital

5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Buy back of shares:

6. Notwithstanding anything contained in these articles, in accordance with the provisions of Sections 77A, 77AA and 77B of the Act or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard by the relevant authorities, the Board of Directors may, if and when deem fit, buy back such of the Company's own shares, stocks or securities, whether or not they are redeemable, as it may decide, subject to such limits, upon such terms and conditions, and subject to such approval, as are specified in this regard.

6A. The article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 40.

Further issue of Capital

7. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined. The aforesaid offer shall be deemed to include a right exercisable by

the person concerned to renounce the shares offered to him in favour of any other person. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

(b) Notwithstanding anything contained in preceding sub clause, the Company may -

(i) by a special resolution; or

(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the motion moved in the general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(iii) Offer the equity shares of the Company to such other persons other than the existing members of the Company on such terms and conditions as may be stipulated in the resolution approved by the members and in accordance with the provisions of the Act.

(c) Nothing contained in sub clauses (a) & (b) above, of this article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Redeemable Preference shares

9. Subject to the provisions of Sections 80, 85 and other applicable provisions of the Act, the Company shall have power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption thereof.

Provisions to apply on issue of Redeemable Preference Shares

10. On the issue of Redeemable Preference Shares under the provisions of Article 8 hereof, the following provisions shall take effect:

(b) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;

(c) no such shares shall be redeemed unless they are fully paid;

(d) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;

(e) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

Reduction of Capital

11. The Company may (subject to the provisions of Sections 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law by following the procedure prescribed by the Act.

Sub division consolidation and cancellation of shares

12. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub division, one or more of such shares

shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Issue of Sweat Equity Shares:

13. Company shall subject to and in accordance with the provisions of section 79A of the Act, shall have the power, by a Special Resolution passed at a General Meeting to issue Sweat Equity Shares to the Directors, Employees of either of the Company or of any of its subsidiary or holding Company.

SHARES AND SHARE CERTIFICATE

17. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any from of electronic medium. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or Country.

Shares to be numbered progressively and no share to be subdivided

18. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before mentioned no share shall be sub divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Shares under control of Directors

19. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) in the capital shall be under the control of the Board of Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportion on such terms and conditions and at such times as the Board of Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Board of Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

Powers of Company to issue shares in General Meeting

20. In addition to and without derogating from the powers for that purpose conferred on the Board by these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Acceptance of shares

21. Any application signed by or on behalf of an applicant for share in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who pays or otherwise accepts any shares and whose name is entered in the Register of Members shall for the purpose of these Articles, be a Member.

Deposit and call etc. to be a debt payable immediately

22. The money, if any, which the Board shall, on the allotment of any shares being made by it, require or direct to be paid by way of deposit call or otherwise in respect of any shares so allotted, shall immediately on the insertion of

the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

23. Every member, or his heirs, executors or administrators, shall pay to the Company the portion of capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Share Certificates

24. (a) Every member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid thereon, provided, however, no share certificate(s) shall be issued for shares held in a Depository. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issue against letters of advice or acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of the issue and the amount paid thereon.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees One Hundred. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Limitation Of Time For Issue Of Certificates:

25. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and, shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

Renewal of Shares Certificate.

26. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub divided or consolidated or in replacement of those which are defaced, torn, old, decrepit, worn out, or where the pages on the reverse for recording transfers have been fully utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No.... sub divided/replaced/ or consolidation of shares."

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and on payment of out of pocket expenses incurred by the Company in investigating the evidence and such fees, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counter foil to the effect that it is "duplicate issued in lieu of share certificate No...". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in "Remarks" column.

(f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other persons as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every director of the Company shall be responsible for the maintenance, preservation and safe custody of all books, and documents relating to the issue of share certificate except the blank forms of share certificates referred to in sub Article (f).

(h) All books referred to in sub Article (g) shall be preserved in good order permanently.

Power of Board of Directors to regulate sub division or consolidation

27. Notwithstanding anything contained in Article 23, the Board of Directors or any committee thereof shall be entitled to refuse any application for sub division or consolidation of shares into denominations of less than ten except when such sub division or consolidation is required to be made to comply with a statutory order or an order or a decree of a Competent Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to necessary verification by the Company.

Share Certificates

25. (a) Every member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid thereon, provided, however, no share certificate(s) shall be issued for shares held in a Depository. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issue against letters of advice or acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of the issue and the amount paid thereon.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees One Hundred. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

CALLS

Directors may make calls.

28. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Notice of calls

29. Fifteen day's notice in writing of any call be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Calls to date from resolution

30. A call shall be deemed to have been made at the time when the resolution authorising such call is passed at a meeting of the Board.

Call may be revoked or postponed

31. A call may be revoked or postponed at the discretion of the Board.

Joint holders, jointly and severally liable to pay calls

32. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Power of Board to extend time for payment of calls.

33. The Board may, from time to time at its discretion, extend the time fixed for the payment of any calls under Article 29.

Calls to carry interest

34. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to time of actual payment at such rate as shall, from time to time, be fixed by the Board not exceeding 9 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Payment in anticipation of call may carry interest

35. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any members willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in-advance of calls shall not call any right to participate in "profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Sums deemed to be calls.

40. Any sum, which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly ade and payable on the date on which by the terms of issue the same becomes ayable, and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on shares.

41. On the trial of or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any moneys claimed to be due to the Company in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture.

42. Neither receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of calls may carry interest.

43. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the members paying the sum in advance and the Board agree upon. The Board may at any time agree to repay any amounts so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting right in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN

Company to have lien on shares/debentures.

44. The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/ debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and upon the conditions that this Article shall have full effect. Any such lien shall extend to all dividends or bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to exempt from the provisions of this clause.

As to enforcing lien by sale

45. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit and for this purpose may cause to be issued duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period aforesaid shall have arrived and until notice in writing of the intention to sell

shall have been served on such member or his representatives and default shall have been made by him or them in payment fulfilment, or discharge of such debts, liabilities or engagement for fourteen days after such notice

Application of proceeds of sale

46. The net proceeds of any such sale be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

If money payable on share not paid notice to be given to members

47. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued by the Company by reason of such non-payment.

Form of notice.

48. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 9 per cent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment before the time and at the place appointed the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

In default of payment, shares to be forfeited

49. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

Notice of forfeiture to a member

50. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited share to be property of the Company and may be sold, etc.

51. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, reallotted, or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to pay money owing at the time of forfeiture and interest

52. Any member whose shares have been forfeited shall not withstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding nine percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Effect of forfeiture

53. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these articles are expressly saved.

Evidence of forfeiture

54. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Validity of sale under Articles 42 and 47

55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not to be bound to see the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sales shall be in damages only and against the Company exclusively.

Cancellation of share certificates in respect of forfeited shares.

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate of shares originally issued in respect of the relative share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Power to annul forfeiture

57. The Board may at any time before any share so forfeited shall have been sold, re allotted or otherwise disposed off, annual the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

Transfer or transmission of shares

58. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Register of Transfer

59. The Company shall keep a `Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in material form."

Form of transfer.

59. Shares in the Company may be transferred by an instrument in writing in the usual common form or in such other form as shall from time to time be approved by the Directors provided that if so required by the provisions of the Act, such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to Company within the prescribed period.

Transfer form to be completed to and presented to the Company.

60. The Instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of transfer shall remain in custody of the Company until destroyed by order of the Board. The transferor of shares shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a certificate or certificates the shares must have been delivered to the Company.

Directors may refuse to register transfer:

62. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any

shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares

No Fee on transfer or transmission:

63. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Nomination of Securities

65. (a) In accordance with and subject to the provisions of Section 109A of the Act, every holder of shares in or holder of debentures of, a company may, at any time nominate, in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death.

(b) Where the shares in or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of, the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company or as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be, all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

Notice of application when to be given.

66. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more joint holders of securities.

67. Every holder of share(s) in and/or debenture(s) of the Company may at any time nominate in the manner prescribed under the Act a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.

Where the share(s) in and /or debenture of the Company, are held by more than the one person jointly, all the joint holders may together nominate in the manner prescribed under the Act a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be shall vest in the event of death of all the joint holders.

Notwithstanding anything contained in any other law for the time being in force or in these article or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act purports to confer on any person the right to vest the share(s) in and/or debenture(s) of the Company the nominee shall on the death of the shareholder and/or debenture holder concerned or on the death of all the joint holder, as the case may be, became entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other person unless the nomination is varied cancelled in the manner prescribed under the Act.

Where the nominee is a minor the holder of the share(s) in and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act to appoint any person to beco00me entitled to the share(s) in and/or debentures(s) of the Company in the event of his death during the minority.

68. Notwithstanding anything contained in these article any person who became a nominee by virtue of the provision of Article 60 upon the production of such evidence as may be required by the Board and subject as hereinafter

provided may elect either.

a. To be registered himself as holder of the share(s) and/or debenture(s) as the case may be or

b. To make such transfer of the share(s) and/ or debenture(s) as the case may be as the deceased shareholder and debenture holder as the case may be could have made.

If the person being a nominee so becoming entitled elects to be registered as holder of the share(s) and/or debenture(s) himself he shall deliver or send to the Company, notice in writing duly signed by him starting that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture holder, as the case may be.

All the limitation restriction and provision of the Act relating to the right to transfer and the registration transfer of share(s) and/or debenture (s) shall be applicable to any such notice or transfer as aforesaid as if the death of the share holder/ debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture holder as the case may be.

69. A person, being nominee becoming entitled to the share(s) and/or debenture(s) by reason of the death of the shareholder shall be entitled to the same dividend and other advantage to which he would be entitled if he were the registered a member in respect of his share(s) and/or debenture(s) expect that he shall not, before being registered a member in respect of his share(s) or debenture(s) be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company.

BORROWING POWERS

Powers to borrow

75. Subject to the provision of Section 292 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock.

84. The Company in General Meeting may convert any paid up shares into stocks and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interest in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.

Provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/ or debenture(s) and if the notice is not complied with within ninety days, the Board may hereinafter withhold payment of all dividend bounces or other moneys payable in respect of the share(s) and/or debenture(s) until the requirement of the notice have been complied with.

MEETINGS OF MEMBERS

Annual General Meeting-Annual Return

86. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings, other than Annual General Meetings shall be called "Extraordinary General Meetings". The first Annual General Meeting shall be held within six months after the expiry of the financial year in which the Company was established and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of

Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' share holdings which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting.

87. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one tenth of such of the paid up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of Members to state object of meeting.

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

Quorum at General Meeting.

94. Five Members present in person shall form a quorum for a General Meeting.

If quorum not present meeting to be dissolved or adjourned.

95. If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the Meeting if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or at such other time and place within the city town or village in which the Registered Office of the Company is situated as the Board may determine, and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

Members in arrears not to vote.

106. No member shall be entitled to vote either personally or by proxy at any General Meeting or meetings of class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

Number of votes to which Member entitled.

107. Subject to the Provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every member present in personshall have one vote and upon a poll the voting right of every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the

Company, save as provided in Section 87 (2) (b) of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affects the right attached to his preference shares.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meetings of Directors

160. The Directors may meet together as a Board for the purpose of business from time to time, and shall so meet atleast once in every quarter and atleast four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

161. Every notice convening a meeting of the Board shall set out the agenda, in full and in sufficient detail, of the business to be resolved thereat and no item or business shall be resolved at such meeting, unless the same has been stated in full and in sufficient details in the said notice convening the meeting or unless consented by the Investor or by a Nominee Director.

Notice of Meetings

162. Seven day's notice at least of every meeting of the Board shall be given by the Secretary of the Company, if any, or by any person or persons nominated by the Executive Chairman, in writing to every Director at his usual address. Provided, however, that the Chairman of the Board shall have the powers to convene a meeting of the Board or to request the Secretary of the Company to convene a Meeting of the Board by giving a shorter notice. Such notice or shorter notice may be sent by hand delivery or post or by cable or telegram depending upon the circumstances. Any notice shorter than seven days shall be consented to by all the directors.

Quorum

163. Subject to Section 287 of the Act, the Quorum for a meeting of the Board shall be one third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Powers of Directors

182. The Board may exercise all such powers of the Company and do all such acts and things as are not by the Companies Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting accorded by an ordinary resolution.

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated; or

(d) contribute to charitable and other trusts not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed twenty five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

DIVIDENDS

Division of profits

186. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members, in proportion to the amount of capital paid up or credited as paid up on the shares held by them respectively.

The Company in General Meeting may declare a dividend.

187. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Dividends only to be paid out of profits

188. No dividends shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:

(a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub section (2) of Section 205 of the Act or against both.

Interim dividend

191. The Board may from time to time, pay to the Members such interim dividends as in their judgement the position of the Company justifies.

Capital paid up in advance to interest but not to earn dividend

192. Where Capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Dividends in proportion to amount paid up

193. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under Article 64.

194. The Board may retain the dividends payable upon shares in respect of which any person is, under Article 64 entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

Dividend etc. to joint holders

195. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such

shares.

No member to receive dividend whilst indebted to the Company, and Company's right of reimbursement thereat.

196. No member shall be entitled to receive payment of any interest or dividend in respect of his share orshares whilst any moneys may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of moneys so due from him to the Company.

Right to Dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares.

197. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall.

(a) transfer the dividend in relation to such shares to the special account referred to in Section 205A of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and

(b) Keep in abeyance in relation to such shares any offer of rights shares under clause (a) of subsection (1) of Section 81 and any issue of fully paid up bonus shares in pursuance of sub section (3)of Section 205 of the Act.

Dividends how remitted.

198. Unless otherwise directed any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

Unclaimed dividend

199. No unclaimed dividend shall be forfeited and the same shall be dealt with in accordance with the provisions of Section 205A, 205B, and 206A or other provisions, if any, of the Act as may be applicable, from time to time.

No interest on dividends.

200. No unpaid dividend shall bear interest as against the Company.

Dividend and call together

201. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.

Capitalisation

202. (a) The Company in General Meeting may by a special resolution resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Account or Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Shares Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised value or sum or fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share

Premium account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge may be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or the specific assets in trustees upon such trusts for the person entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of this Prospectus, have been delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company, from 10.00 a.m. to 4.00 p.m. on any working day from the date of the Red Herring Prospectus until the date of closing of the Issue.

Material Contracts

1. Memorandum of Understanding dated July 12, 2007 signed between the Company and Almondz Global Securities Limited, the Book Running Lead Managers to the Issue.
2. Memorandum of Understanding dated June 7, 2007 signed between the Company and Karvy Computershare Private Limited, the Registrar to the Issue.
3. Copy of the Tri-partite Agreement dated December 28, 2007 between NSDL, the Company and Karvy Computershare Private Limited Copy of the Tri-partite Agreement dated November 19, 2007 between CDSL, the Company and Karvy Computershare Private Limited

Documents for Inspection

1. Memorandum and Articles of Association of Bang Overseas Limited., as amended from time to time.
2. Certificate of Incorporation of Bang Overseas Limited dated June 1, 1992
3. Copy of resolution passed at Extra Ordinary General Meeting dated May 28, 2007 u/s 81 (1A) authorizing the Issue of Equity Shares.
4. Copies of letters dated July 20, 2007 addressed to BSE and NSE for in-principle approval.
5. Copies of letters dated September 14, 2007 and October 25, 2007 from BSE & NSE respectively regarding In-principle approval.
6. Copies of Annual Reports of the Company for the last 5 accounting periods i.e. FY 2003, FY 2004, FY 2005, FY 2006 and FY 2007.
7. Copy of Tax Benefits Certificate issued by Statutory Auditors of the Company M/s Rajendra K. Gupta & Associates., Chartered Accountants, dated December 30, 2007.
8. Copy of Auditors Reports issued by Statutory Auditors of the Company Rajendra K. Gupta & Associates, Chartered Accountants regarding Re-stated financials of the Company for the last 5 financial years and 6 month period ended September 30, 2007 dated December 30, 2007.
9. No objection Certificate from the Bankers to the Company in respect of proposed public issue of the Company dated June 7, 2007 from ING Vysya Bank
10. Share Purchase Agreement with Vedanta Creations Private Limited for swaping of equity shares alongwith Chartered Accountant's certificate for exchange ratio.
11. Brand Building Agreement with Mr. Manish Malhotra in respect of brand building.
12. Consent letters from Directors, Book Running Lead Managers to the Issue, Bankers to the Company, Statutory Auditors, Legal Advisors to the Issue, Registrar to the Issue, Compliance Officer to the Issue, to act in their respective capacities and for inclusion of their names in this Prospectus.
13. Copies of Annual Reports of Promoter Group Companies
14. Due Diligence Certificate dated July 18, 2007 issued by Book Running Lead Manager to the Issue viz. Almondz Global Securities Limited.
15. A copy of the SEBI Final observation letter no. CFD/DIL/ISSUES/PB/MKS/111911/2007 dated December 27, 2007 received from SEBI, Mumbai in respect of the Public Issue of Bang Overseas Limited.
16. Copy of the Escrow agreement dated January 23, 2008 between Bang Overseas Ltd. and Almondz Global Securities Ltd.,Karvy Computershare Pvt. Ltd., ICICI Bank Ltd., Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Ltd. and Kotak Mahindra Bank Ltd.
17. Copy of the Syndicate Agreement dated January 24, 2008 between Bang Overseas Ltd. and Almondz Global Securities Ltd.
18. Copy of the Underwriting Agreement dated February 1, 2008 between Bang Overseas Ltd. and Almondz Global Securities Ltd.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all statements in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF BANG OVERSEAS LIMITED

Brijgopal Bang

Managing Director

Venugopal Bang

Chairman

Mr. Viswanath Cheruvu

Director

Dr. M. K.Sinha

Director

Mr. V.D. Ajgaonkar

Director

Mr. Jaydas Dighe

Vice President (Finance)

Date: February 5, 2008

Place: Mumbai

ANNEXURE

(IPO GRADING REPORT BY CARE FOR BANG OVERSEAS LIMITED)

IPO Grading CARE IPO Grade 2

CARE has assigned a 'CARE IPO Grade 2' to the proposed Initial Public Offer (IPO) of Bang Overseas Limited (BOL). CARE IPO Grade 2 indicates below average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the fundamentals of the issuer. BOL proposes an IPO of 35,00,000 equity shares of face value of Rs.10 each. The price band has not yet been decided.

The grading draws strength from the good track record of the promoters, successful operation of the textiles business, growth in revenues as exhibited in the past two years, the brand strength of its clientele and growth prospects of the branded garments industry. The grading also draws strength from the recent diversification of BOL's operations from textiles to garment manufacturing.

The rating is, however, constrained by BOL's small size of operations, order dependent and seasonal nature of business, recent compliance of corporate governance practices, significant portion of operations coming from textiles division (trading activity), present focus only on one segment of men 's apparel, fairly new and lesser known brand and fragmented and highly competitive apparel industry in which the company operates. The grading is also constrained by risks associated with proposed deployment of funds from the IPO in setting up new manufacturing unit and brand building exercise.

Background of the company

BOL was incorporated in the year 1992, and started its business by trading in textiles. In 1998, BOL launched its first seasonal fabric collections under the name, "Bodywaves" which was marketed through its own distribution channel to different brands and retailers. Since then BOL ventured into 'textile business' by conceptualizing and designing fashion fabrics.

Since 2000, BOL ventured into garments manufacturing business by sourcing fabrics from China and outsourcing manufacturing process from countries like Mauritius, Portugal and Turkey. It manufactured for domestic as well as international brands; some of which included Koutons, Provogue, Tommy Hilfiger, Crocodile, Lifestyle etc.

BOL launched its own brand "Thomas Scott" in year 2002 in domestic as well as overseas market to develop its own differential product line.

Management

The senior management comprises two brothers who are also the promoters of the company viz. Mr. Venugopal Bang (a commerce graduate and CA) and Mr. Brijgopal Bang (a Commerce graduate and MBA).

Mr. Venugopal Bang aged 53 years is the Chairman of BOL. He is involved in BOL's operations since its inception.

Mr. Brijgopal Bang, aged 39 years, is the Managing Director of BOL and has been actively involved in the company since inception. He has played a key role in growth of the Company with his inputs in strategic planning and business development.

The day to day affairs of the Corporate Office in Mumbai is taken care of jointly by both of the promoters. The Manufacturing units in Bangalore are headed by different project heads. There are functional heads for every department such as Designs, Finance, Brands, Project, Marketing, Logistics & Procurement, Human Resource etc.

Corporate Governance

The Company has 3 independent directors out of five directors on Board. The Independent-Non Executive Directors are Mr. Viswanath Cheruvu, Dr. M.K.Sinha, and Mr.V.D.Ajgaonkar.

The Company has recently complied with SEBI Guidelines in respect of Corporate Governance specifically with reference to broad basing the board, including appointment of independent directors and constituting of committees such as Audit, Remuneration Committee and Share Holders'/Investors' Grievances Committee.

Pursuant to the SEBI Guidelines, an aggregate of 20% of the shareholding of the Company's Promoters shall be locked in for a period of three years from the date of allotment in the Issue.

Operations

BOL operates in two divisions namely the textiles and garments. As on June 30, 2007 BOL had strength of 682 employees.

1. **Textiles division:** This division is engaged in procuring seasonal fabrics from different countries. BOL- mainly procures fabrics from China for its fabric collections.

   BOL sells its fashion fabric through its in house marketing team and distributors on regular basis to various customers in garments, apparels and retail. The customers include other brands, apparel manufacturers, wholesalers, distributors and direct retailers. The fabric collection in textiles is presented under the name "Bodywaves."

2. **Garments Division:** The operations involved in the process of conversion of fabric into a ready to wear garment is undertaken by the manufacturing plants in BOL. These processes include Designing, Procurement of Fabrics, Quality Check, Warehousing, Cutting, Stitching, Washing, Finishing & Packing, Delivery and Distribution. The products under its garment division include, apparel for its own brand and domestic as well as its international customers.

   BOL, started its own lust apparel manufacturing unit in Bangalore in the year 2005 in the name of Reunion Clothing Company (RCC) with an installed capacity of 350,000 pieces per annum. In the year 2005, the company started its second manufacturing unit by the name of Formal Clothing Company (FCC) with an installed capacity of 360,000 pieces per annum. Both these units manufacture Men's Wear Formal and Casual Shirts. Following are other features of BOL's garments business:

   - BOL currently has only one brand of its own by the name of "Thomas Scott"
   - The products of BOL, (including Thomas Scott brand of apparels), are presently retailed through 155 point of sales comprising its own retail outlets (9 company owned and 1 franchise), Large format stores (LFS) like Shoppers' stop, Pyramid, Globus, SAGA and Multi Brand Outlets (MBOs) spread all over India. MBOs are popular stores in specific cities or towns and such stores have on display a wide variety of brands.
   - BOL has a centralized warehousing and logistic center at Kalher Village near Bhiwandi to facilitate its supply chain management.

Financial

(Rs. Crore)

Period ended Period in Months	**FY'04** **(12)** **(A)**	**FY'05** **(12)** **(A)**	**FY'06** **(12)** **(A)**	**FY'07** **(12)** **(P)**
Net Sales from manufacturing	2.01	5.22	10.97	35.20
Sales from trading activity	10.30	11.67	27.66	36.21
Total Sales	**12.31**	**16.88**	**38.63**	**71.41**
PBDT	**1.23**	**2.09**	**5.14**	**9.89**
Interest	0.63	0.75	1.63	2.50
Depreciation	0.05	0.08	0.36	0.87
PAT	**0.32**	**0.77**	**2.16**	**5.5**
Net worth	2.32	4.4	6.54	13.77
Total Capital Employed	7.31	11.5	25.11	35.12
PBILDT/Total Income (%)	9.95	12.28	13.27	17.90

Period ended Period in Months	**FY'04** **(12)** **(A)**	**FY'05** **(12)** **(A)**	**FY'06** **(12)** **(A)**	**FY'07** **(12)** **(P)**
PAT/Toial Income (%)	2.59	4.53	5.53	7.60
ROCI(%) (Operating)	-	21.56	20.81	38.08
RONW(%)	-	22.91	21.4	68.30
Overall Gearing Ratio	2.15	1.61	2.84	1.87
Current Ratio	4.01	7.73	4.58	2.10
Quick Ratio	1.92	4 22	2.3	1.42
Avg Coll. Period (days)	-	64	53	66,00
Working Capital turnover Ratio	-	0.61	0.96	2.12

(A) - Audited (P) - Provisional

The financial statements of the Company are prepared in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in the Company's Act and generally accepted accounting principles in India. The company's sales have grown at a CAGR of 80% from FY'04 to FY'07. However significant growth in the company's revenues has come in the past two years when the sales have gone up by more than three times, mainly on account of the company diversifying into garment manufacturing. This significant growth is also reflected in increase in its fixed assets, which has lead to increase in depreciation. PBILDT has increased during the given period as the company shifted its focus from solely trading to trading and manufacturing.

The Debt Equity Ratio and overall gearing had gone up in FY'06 due to borrowings of setting up the manufacturing units. With further issue of capital and accruals, the ratio has improved in FY'07. The current ratio has come down over the years due to greater increase in current liabilities, mainly creditors and working capital borrowings owing to increase in its operations.

Industry overview

Export Market

- The abolition of quota restrictions has provided apparel exporting countries like India with huge opportunity for growth given the large market size of the quota-imposing countries. However, it has also made the business risky for the Indian industry as the international market has become more competitive.
- India's share in the global textiles and apparel market is 3.9% and 3% respectively. Textile exports contribute 16.63% to the countries total export earnings. USA and the EU are the largest markets for Indian garment exports. Indian players supply garments to variety of international fashion houses.
- The garments exports are expected to increase at a CAGR of 17-18 percent from USD 8 billion (Rs. 356 billion) in 2005-06 to USD 12 billion (Rs. 496 billion) in 2007-08, as a result of abolition of quotas and simultaneous restrictions imposed on some Chinese apparel exports till 2008. however, competition from Chinese exports (especially after 2008) and an appreciating rupee are key concerns for the apparel industry to remain competitive in the international market.

Domestic market as promising as exports

- Despite the substantial growth rate, if compared to the international market, the domestic market is still in budding phase. The domestic players are not much affected due to entering of foreign brands as they have higher introduction cost.
- The apparel sales in India (in volume terms) accounts for about a third of the cumulative apparel sales in US, EU-25 and India. However, the US and EU markets are much more mature as compared to the Indian market. The per capita clothing consumption in India is around 23 square meters, as against 70-71 sq. meters in USA and about 62-63 sq. meters in EU. Also, the penetration of organized retail and branded apparels is very low in India as compared to the US and EU.

- In future, there is a huge scope for India's per capita garment consumption to grow by leaps and hounds. This growth would be garnered by the changing demographics - rising income levels, higher proportion of working population, increasing preference for readymade garments over tailored garments, and impulsive buying behavior on account of wider penetration of organized retail and branded apparels. This is expected to catapult the garment sales upwards.
- It is expected that by 2010-11, India is set to emerge as the largest consumer of apparel (in volume terms) as compared to the US and EU-25. The growth in sales in value terms would be more pronounced. Thus, the domestic market provides an equally large and money-spinning opportunity for the Indian apparel manufacturers.

IPO Issue Details

The company is proposing to make a public offer of 35 lakh equity shares of Rs.10 each for cash through a fresh issue. Price band for the same has not been decided yet. The offer would constitute 25.8% of the fully diluted post-offer paid-up capital of BOL.

The Proceeds of the issue of shares are intended to be deployed for:

1. Setting up of retail outlets across India: BOL plans to expand its existing "Thomas Scott" brand retail outlets from 10 (9 company operated retail outlets and 1 franchisee) to 100 (41 company operated and 49 operated through franchisee). A part of the proceeds will be utilized for brand building purposes for the same.
2. Setting up new apparel manufacturing unit: BOL plans to use a part of its proceeds to expand its capacity by setting up new apparel manufacturing unit in Kolar District in the state of Karnataka.
3. Setting up of warehousing and logistic facilities: BOL proposes to establish warehouses at various locations to facilitate efficient supply chain management for all the retail operations across India.

The balance proceeds if any after utilizing for the above purposes, will be directed towards general corporate purposes and issue related expenses.

The entire pre-offer capital, other than those equity shares locked in as minimum promoter's contribution, shall be locked in for a period of one year from the date of allotment under this offer.

Prospects

BOL's business strategy is to constantly move up the value chain. The transition from its solely textiles business to textiles and garments business is witness to this strategy. Starting the business from being a fabric trader, BOL has successfully moved up the ladder in its operations by venturing into garments business and starting its own brand. BOL further plans to move up the value chain by creating chain of retail outlets for its brands - "Thomas Scott", creating value added products intensive brand building efforts, and developing warehousing and logistic facilities. BOL's successful implementation of its proposed strategy depends on its ability to utilize expanded capacities and leave no scope for excess capacity.

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