



BANG OVERSEAS Ltd.



**THOMAS
SCOTT** 

ANNUAL REPORT 2007-08

BANG OVERSEAS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Venugopal Bang	Chairman
Mr. Brijgopal Bang	Managing Director
Mr. Viswanath Cheruvu	Independent Director
Dr. M. K. Sinha	Independent Director
Mr. V. D. Aijaonkar	Independent Director

COMPANY SECRETARY

Mr. Kaushal Ameta

STATUTORY AUDITORS

M/s. Rajendra K Gupta & Associates
Room No.3, Kshipra Society,
Akurli Cross Road No-1,
Kandivali (E), Mumbai : 400 101,
Tel : (022) 28874879
E mail : rkgupta-im@eth.net

PRACTISING COMPANY SECRETARIES

M/s. Kothari H & Associates
40-A, Shankar Seth Building,
380, J. S. S Road,
Chira Bazar, Mumbai: 400 002.
Tel : (022) 2291 7764
E mail : hiteshkotharics@yahoo.co.in

REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited
Plot no. 17-24 Vittal Rao Nagar,
Madhapur, Hyderabad – 500081
Tel: (91 40) 2343 1553
Fax: (91 40) 2343 1551
Website: www.karvy.com

BANKERS

1. ING Vysya Bank Ltd.
2. HSBC Bank

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.: 91-22-6660 7965
Fax.: 91-22-6660 7970

INDEX	
Particulars	Page No.
Notice	2
Director's Report	3
Report on Corporate Governance	6
Management Discussion and Analysis	12
Auditors Report	15
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Schedules	21
Balance Sheet Abstract	33
Consolidated Financial Statements	34
Subsidiary Results - Vedanta Creations Pvt. Ltd.	48

SIXTEENTH ANNUAL REPORT 2007-2008

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of BANG OVERSEAS LIMITED will be held on, Monday, 29th September 2008 at 11:00 A.M. at Maheshwari Bhavan, 603 , Jagannath Shankar Seth Road, Mumbai - 400 002 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Venugopal Bang, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. V D Ajgaonkar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Rajendra K. Gupta & Associates., Chartered Accountants as an Auditors of the Company and to authorize the Board to fix their remuneration.

By Order of the Board of Directors
For Bang Overseas Limited

Sd/-

Kaushal Ameta
Company Secretary

Place: Mumbai
Date: 25th August, 2008

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.*
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 25th September, 2008 to Monday, 29th September, 2008 (both days inclusive).
3. The Members are requested to notify their change of address immediately to the Registrars & Transfer Agent – Karvy Computershare Private Limited. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, etc. to their respective Depository Participants.
4. Equity shares of the Company are under compulsory Demat trading by all investors. Those shareholders who have not dematerialised their shares are advised to dematerialise their shareholding, to avoid inconvenience in future.
5. Members/Proxy Holders are requested to bring their copy of Annual Report and attendance slip sent herewith duly filled in to the Annual General Meeting.
6. Members intending to seek explanation / clarification about the accounts at the meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
7. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.

By Order of the Board of Directors
For Bang Overseas Limited

Sd/-

Kaushal Ameta
Company Secretary

Place: Mumbai
Date: 25th August, 2008

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their SIXTEENTH ANNUAL REPORT along with the Audited Accounts of the Company for the year ended 31st March 2008.

FINANCIAL HIGHLIGHTS

(Rs. In lac)

Description	Stand Alone		Consolidated	
	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
Sales	1 2038.90	7 186.83	14 585.30	9 662.16
Other Income	419.32	140.95	418.92	156.27
Earnings before Interest, Depreciation and Tax (EBIDT)	1 878.11	1 371.04	2 338.31	2 005.45
Less: Interest	384.88	254.59	420.57	279.12
Earning Before Depreciation And Tax (EBDT)	1 493.23	1 116.45	1 917.74	1 726.33
Less: Depreciation	110.73	65.10	116.20	68.90
Profit before Tax (PBT)	1 382.50	1 051.34	1 801.54	1 657.43
Less: Provision for Tax (Earlier Year Adjustment)	505.91	368.35	652.21	578.26
Profit after Tax (PAT)	876.59	683.00	1 149.32	1 079.17

PERFORMANCE REVIEW

Stand Alone

INCOME : Your Company has achieved turnover of Rs.12038.90 lac for the year ended 31st March, 2008, which is higher by 67.52% as compared to the previous year.

EBIDT : During the financial year, EBIDT increased by 36.99% as compared to the previous year.

PAT : PAT has raised from Rs. 683.00 lac to Rs. 876.63 lac this year, recording 28.35% increase on annualized basis.

Consolidated

INCOME : Your Company has achieved turnover of Rs.14585.30 lacs for the year ended 31st March 2008, which is higher by 50.95% as compared to the previous year.

EBIDT : During the financial year, EBIDT increased by 16.89% as compared to the previous year.

PAT : PAT has raised from Rs. 1079.17 lac to Rs. 1149.32 lac this year, recording 6.50% increase on annualized basis.

Your Directors are hopeful of achieving better results in coming years.

CAPITAL AND FINANCE

During the financial year, the Company went for an IPO and raised an additional capital by issuing 35,00,000 equity shares of Rs.10/- each issued at a premium of Rs. 197/- amounting to Rs.7,245 lacs. The Company's shares are listed and tradable at the Bombay Stock Exchange and National Stock Exchange.

UTILIZATION OF IPO FUNDS

Brief particulars of Public Issue fund utilization is as follow as on 31-03-2008.

Particulars	Amount (Rs. In lac) (projected utilisation)	Amount (Rs. In lac) (actual utilisation)
Setting up Retail outlets across India and brand building	1063.00	382.28
Setting up of a new apparel manufacturing unit	3671.00	0.25
Warehousing and logistic facilities	1022.50	Nil
General Corporate purposes	1016.80	937.26
Issue Expenses	471.70	515.20
Total	7245.00	1 835.00
Balance fund kept in Fixed Deposit-Escrow A/c	—	5 410.00

DIVIDEND

Looking into the future requirements of financial resources, your directors propose to plough back the profits for its operations and do not recommend any dividend for the year under review.

SUBSIDIARY COMPANY

As per the provisions of Section 212 of the Companies Act, 1956, the audited financial statement of account of the Subsidiary Company, Vedanta Creation Pvt. Ltd. is annexed to the Annual Report of the Company.

DIRECTORS

In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company Mr. V D Ajgaonkar and Mr. Venugopal Bang retires at the ensuing Annual General Meeting and, being eligible, have offered themselves for reappointment.

AUDITORS

M/s. Rajendra K. Gupta & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and according to a certificate received from them U/S 224(1-B) of the Companies Act, 1956 are eligible for re-appointment. The members are recommended to re-appoint them as the auditors of the Company.

The Auditors Report to the Shareholders does not contain any qualification. The notes to accounts referred to in the Auditors Report are self explanatory and therefore do not call for any comments.

PARTICULARS OF EMPLOYEES

The Board of Directors wishes to express its appreciation for the outstanding contribution made by the employees to the operations of the company during the year. No Employee draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

During the year under review, the company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975. As such, no amount of Principal or Interest is outstanding as on the Balance Sheet date.

LISTING

At present the Company's equity shares are listed at National Stock Exchange, Mumbai and Bombay Stock Exchange, Mumbai and the Company has paid the Listing fees to the above exchange for the year 2008-2009.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988 is given by way of Annexure I to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors report:

- i. that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company has implemented various processes of Corporate Governance, through meetings of the Directors, Audited Committee, Share Transfer Committee & Investor Grievance Committees of the Board.

The Securities and Exchange Board of India, vide an amendment to the listing agreement, has directed listed Companies to follow a uniform code of Corporate Governance which also includes disclosures in the Annual Report pursuant to Clause 49 of the listing agreement.

Accordingly, a report on the Corporate Governance, auditor's certificate on compliance of Corporate Governance, and "Management Discussion and Analysis" giving details of the Company's business and operating results are annexed as a part of the Annual Report for the information of the shareholders. The Company has obtained certificate from the Managing Director of the Company.

ACKNOWLEDGEMENT

The Directors wish to put on record their appreciation for the wholehearted support and sincere co-operation received by the Company from the bankers, buyers, customers, suppliers as well as various government departments towards the conduct of efficient and effective operation of the your Company.

The Directors also wish to put on record their appreciation of the excellent contribution made by all the employees for the growth of the Company.

For and on behalf of the Board Of Directors

sd/-

Venugopal Bang
Chairman

Place: Mumbai

Date: 25th August, 2008

ANNEXURE TO THE DIRECTOR'S REPORT

Statement Pursuant to Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

(a) Conversion of Energy

The Company is taking all steps necessary to minimize energy consumption.

(b) Technology Absorption

Constant efforts are made towards technology upgradation to improve quality of the products manufactured by the Company.

(c) Foreign Exchange Earning and Outgo

i) Earning in Foreign Exchange Rs. 2953.13 lac.

ii) Outgo of Foreign Exchange Rs. 1860.93 lac.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance, for the financial year April 1, 2007 to March 31, 2008 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. PHILOSOPHY OF CORPORATE GOVERNANCE

A good corporate governance process aims to achieve balance between shareholders' interest and corporate goals by providing long term vision of its business and establishing systems that help the Board in understanding and monitoring risk at every stage of the corporate evolution process to enhance the trust and confidence of the stakeholder without compromising with laws and regulations.

The Company's philosophy on the Code of Governance is that the Company should follow contemporary corporate practices as followed by other companies similarly placed and the guiding principle of the Code of Governance of the Company is HARMONY i.e. –

- (a) Balancing need for transparency with the need to protect the interests of the Company
- (b) Balancing the need for empowerment at all levels with the need for accountability and
- (c) Interaction with all stakeholders including shareholders, employees, lenders and regulatory authorities.

2. BOARD OF DIRECTORS

a) Composition

During the financial year, the Board consisted 5 Directors with a fair representation of executive, non-executive and independent directors. The Chairman being an Executive, as per Listing Agreement, the Company should have minimum three Independent Directors. The Company has three independent Directors. There is no institutional nominee on the Board. Details of Directors retire by rotation and their brief particulars are provided in the corporate governance report

Category	Name of Director
Promoter / Chairman-Executive	Mr. Venugopal Bang
Promoter / Managing Director	Mr. Brijgopal Bang
Non Executive and Independent Director	Mr. Viswanath Cheruvu
Non Executive and Independent Director	Dr. M. K. Sinha
Non Executive and Independent Director	Mr. V. D. Ajgaonkar

Pursuant to the provisions of the Companies Act 1956, Mr. Venugopal Bang and Mr. V. D. Ajgaonkar, retire by rotation and being eligible, offer themselves for re-appointment.

b) Number of Board Meetings

During the year, sixteen Board meetings were held. These were on 19th April 2007, 2nd May 2007, 15th May 2007, 2nd June 2007, 20th June 2007, 25th June 2007, 2nd July 2007, 13th July 2007, 18th July 2007, 31st August 2007, 14th December 2007, 21st December 2007, 30th December 2007, 9th January 2008, 5th February 2008 and 12th February 2008.

c) Director's Attendance Record and Directorships

Name of Director	No. of meetings held	No. of meetings attended	Whether attended last AGM	No. of directorships of public limited companies
Mr. Brijgopal Bang – Managing Director	16	16	Yes	1
Mr. Venugopal Bang- Chairman	16	16	Yes	1
Mr. Viswanath Cheruvu (Independent Director)	16	11	Yes	Nil
Dr. M K Sinha (Independent Director)	16	10	No	7
Mr. V D Ajgaonkar (Independent Director)	16	12	Yes	4

d) Information Supplied to the Board

Among others, information supplied to the board includes:

- Quarterly results of the company and its operating divisions,
- Minutes of meetings of Audit Committee and other Committees,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially relevant default in financial obligations by the company
- Non-payment for goods sold by the company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business,
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory or listing requirements.

The Board is presented with detailed notes along with the agenda papers well in advance of the meeting.

e) Directors with Materially Pecuniary or Business Relationship with the Company

There have been no materially pecuniary transactions or relationship between the Company and its non-executive and/or independent Directors during the year 2007-2008.

2. CODE OF CONDUCT

Pursuant to the requirements of the Clause 49 of the Listing Agreement, the Board has adopted Code of Business Conduct and Ethics for the Executive Directors, Whole Time Directors, Officers and Employees of the Company as well as the separate Code of Business Conduct and Ethics for Non-Executive Directors of the Company.

All the Board Members and senior management personnel have affirmed compliance with the Code for the financial year 2007-08 and a declaration to this effect signed by the Managing Director of the Company is provided at the end of this report.

3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate, timely, proper disclosures & transparency, integrity and quality of financial reporting.

a) Composition

The Audit Committee of the Company consists of qualified non-executive Directors.

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

b) Terms of Reference

The audit committee of the company performs the following functions:

- 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.
- 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.
- Approval of payment to the statutory auditors for any other services rendered by them.
- Reviewing with the management the annual financial statements before submission to the Board for approval.
- Discussion with internal auditors of any significant findings and follow-up there on.
- Discussion with the Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- 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.

c) Meetings and Attendance

Audit Committee met 4(Four) times during the year 2007-08 and the attendance record is as per the table given below:

Name of the Director	Number of meetings	Meeting attended
Mr. Viswanath Cheruvu	4	4
Dr. M. K. Sinha	4	3
Mr. V. D. Ajgaonkar	4	4

4. SHAREHOLDERS' / INVESTOR'S GRIEVANCES COMMITTEE

The Committee specifically looks into the transfer of shares and related matters and redressing complaints of share holders and investors such as transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends and dematerialization of shares.

a) Composition

The committee comprises of the following members:

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

b) Terms of Reference

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.

c) Meeting of the Committee for 2007-2008

During the financial year, no meeting was held.

d) Complaints

Table below gives the details about the nature of complaints during the year 2007-2008

Nature of Complaints	Received	Redressed	Pending
Status of applications lodged for public issue(s)	13	13	0
Non receipt of electronic credit	25	25	0
Non receipt of refund order	9	9	0
Total	47	47	0

There are no unsolved complaints pending.

5. REMUNERATION COMMITTEE

a) Composition:

Sr. No.	Name of the Director	Designation
1	Mr. 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

b) Terms of Reference

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

c) Meeting

During the financial year, no meeting was held.

d) Remuneration

During the financial year, remuneration paid to Directors were follows:

(Amount in Rupees)

Name of the Director	Sitting Fees	Salaries and perquisites	Total
Mr. Venugopal Bang	Nil	Nil	Nil
Mr. Brijgopal Bang	Nil	12,00,000/-	12,00,000/-
Mr. Viswanath Cheruvu	Nil	Nil	Nil
Dr. M. K. Sinha	20,000/-	Nil	20,000/-
Mr. V. D. Ajgaonkar	Nil	Nil	Nil

6. DISCLOSURES

a) Disclosure by Management to the Board

All disclosure relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

b) Disclosure Regarding Re-Appointment of Directors

Disclosure regarding reappointment of Directors required as per Clause 49 (VI) (A) of the Listing agreement:

- i. 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.
- ii. 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 with 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.

c) Details of Non-Compliance

There have been no instances of non-compliance on any matter relating to the capital market during the last three years.

d) Communication to Shareholders

The Company has its own web-site and all vital information relating to the company and its performance, including quarterly results and official news releases will put on the web-site for the benefit of the public at large.

The company's web-site address is www.banggroup.com.

e) Insider Trading Policy

The Company has implemented an Insider Trading Policy to comply with the relevant Insider Trading Regulation. In accordance with the policy, the Company announces quiet period for designated employees from time to time.

The Company has a policy of observing a 'quiet period' from the last day of the end of the quarter till two trading days after the financial results are published. The Company may also announce 'quiet period' during and after the occurrence of certain events mentioned in the Insider Trading Policy.

The Company is strictly monitoring its Insider Trading Policy.

7. GENERAL BODY MEETINGS

a) Date, time and venue for the last three annual general meetings

Financial year	Date	Time	Venue
2004-2005	29/09/2005	11.00 A.M.	Registered office of the Company
2005-2006	28/09/2006	11.00 A.M.	Registered office of the Company
2006-2007	28/09/2007	11.00 A.M.	Registered office of the Company

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

There was no special resolution at the last three Annual General Meeting required to be put through postal ballot.

8. ADDITIONAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : Monday, 29th September, 2008 at 11.00 A.M.

Venue : Maheshwari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai – 400 002

Postal Ballot: There is no resolution requiring compliance of postal ballot procedure.

Financial Calendar

1st April to 31st March

For the year ended 31st March, 2008, quarterly results were announced on 29th April, 2008 — Fourth Quarter

b) Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 25th September, 2008 to Monday, 29th September, 2008 (both days inclusive).

c) Listing

At present the Company's equity shares are listed at National Stock Exchange, Mumbai and Bombay Stock Exchange, Mumbai and the Company has paid the Listing fees to the above exchange for the year 2008-2009.

Stock Codes

- BSE: 532946
- NSE : BANG

d) Stock Data

Table below gives the monthly high and low prices and volumes of the Company equity shares at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) , Mumbai for the year 2007-2008:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
February, 2008	260.00	148.15	2,81,02,579	269.90	148.00	2,25,28,966
March, 2008	150.00	92.50	53,14,435	152.00	92.00	34,77,980

e) Share Transfer Agents and Share Transfer System

The Company has appointed Karvy Computershare Private Limited as Registrars and Transfer Agents to handle the physical share transfer related work and for electronic connectivity as per the directives of SEBI. The Company's equity shares are traded in the stock exchanges compulsorily in demat mode.

For transfer of shares in physical form, the Company has introduced transfer cum demat facility to avoid unnecessary mailing of certificates. Certificates duly transferred are returned to those, who opt to receive certificates in physical form. There are no legal proceedings against the Company on any share transfer matter.

f) Shareholding Pattern

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

a. Shareholding Pattern by ownership as on 31st March, 2008.

Category	No. of shares held	Shareholding %
Promoters	91,86,960	67.75
Bodies Corporate (Group Cos.)	41,780	0.31
Foreign Institutional Investor	51,555	0.38
NRI's	4,738	0.03
Indian Public	42,74,967	31.53
TOTAL	1,35,60,000	100.00

b. Distribution of shareholding by share class as on 31st March, 2008.

Category No. of Equity Shares	Number	% to total	(in Rs.)	% to Total
Upto-5000	6660	94.33	6561060	4.84
5001-10000	159	2.25	1279490	0.94
10001-20000	81	0.15	1224420	0.91
20001-30000	20	0.28	513830	0.38
30001-40000	23	0.33	827310	0.61
40001-50000	19	0.27	893460	0.66
50001-100000	27	0.38	993020	1.47
Above 100000	71	1.01	122302410	9019
Total	7060	100.00	135600000	100.00

g) Dematerialisation

The Company's equity shares are under compulsory demat trading. The ISIN of the Scrip is INE863I01016. As on 31st March, 2008, Dematerialized shares accounted for 25.81% of the total equity. The Company has appointed Karvy Computershare Private Limited as Registrars & Transfer Agents to handle the physical Share Transfer related work and for Electronic connectivity as detailed below:

Karvy Computershare Private Limited

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

Tel: (91 40) 2343 1553

Fax: (91 40) 2343 1551

Website: www.karvy.com

Contact person: Mr Murli Krishna

h) Details of Public funding raised in the Last Three Years

During the financial year, the Company went for an IPO and raised an additional capital by issuing 35,00,000 equity shares of Rs.10/- each issued at a premium of Rs. 197/- amounting to Rs.7,245 lacs. The Company's shares are listed and tradable at the Bombay Stock Exchange and National Stock Exchange.

Investor correspondence address

- **Secretarial Department**

- **Bang Overseas Limited**

- 144, Kewal Industrial Estate, 1st Floor,
 - Senapati Bapat Marg, Lower Parel (W),
 - Mumbai -400 013, India

- Contact person: Mr. Kaushal Ameta / Mr. Jaydas Dighe

- **Karvy Computershare Private Limited**

- Plot No. 17-24 Vithal Rao Nagar,
 - Madhapur, Hyderabad – 500081

- Tel: (91 40) 2343 1553

- Fax: (91 40) 2343 1551

- Website: www.karvy.com

- Contact person: Mr. Murli Krishna

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The second fastest-growing economy in the world, the third largest economy in terms of Gross Domestic Product (GDP) 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).

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.

Retailing in India is gradually inching its way to becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping. Modern retail has entered India as seen in sprawling shopping centers, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof.

Retail is India's largest industry, accounting for over 10 percent of the country's GDP and around 8 percent of employment. Retail in India is at the crossroads. It has emerged as one of the most dynamic and fast paced industries with several players entering the market.

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.

OUR COMPETITIVE 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. We have established our presence in both the overseas and the domestic market.

Retail Outlets

We have our 25 retail outlets including 7 franchises 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, Rajkot, Haryana, Kolkata, Bangalore, Surat, Ahmedabad, Delhi, Vashi, Thane, Patiala, Haryana, Hyderabad, Chandigarh, New Delhi, Vadodara, Bandra, Kandiwali, Siliguri.

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 analyzing 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.

FUTURE OUTLOOK

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 25 to additional retail outlet 10 including franchisees spread all over India as well.

Expansion of Product range

We propose to expand into other categories like woman wear in casual and formal categories. 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 propose to strengthen the brand by taking services of well known celebrities in our brand building and advertising campaigns.

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.

THREATS

Apart from ever moving fashion trends, China may emerge as a viable rival in the longer run to the Indian retail industry as it has rapidly been increasing its manufacturing base.

The demand for skilled man power outstrips the supply. We have adopted policies that will attract and retain the best talent, by making employees partners in the business and its growth and contemplating to implement ESOS schemes etc

RISK MANAGEMENT

Economic Risk

A slowdown in economic growth in India could cause the business to suffer as the Company's performance is highly dependent on the growth of the economy, which in turn leads to a rise in disposable incomes and consumption in the country. Favourable population growth, a large pool of highly skilled workers, greater integration with the world economy and increasing domestic and foreign investment suggest that the

Indian economy will continue its growth momentum for several years to come. This will also provide impetus to the retail industry, which is estimated to grow to \$430 billion by 2010 from \$330 billion in 2007. Hence we do not expect to be significantly affected by this risk.

Business Risk

The Company operates in upper market life style products associated with high advertisement costs and risk related to brand management. The inventory cost related to lifestyle garments is traditionally a matter of risk, however through effective inventory management the Company has reduced the risk to a minimal level.

Your Company has a low debt equity ratio and is well placed to take care of its borrowings. The foreign exchange transactions of the Company are suitably covered and there are no materially significant Exchange rate risks associated with the Company.

Fashion Risk

This risk would arise through the Company's inability to set trends and understand changing fashion styles, which can lead to lower sales and profitability.

However, it is the Company's constant endeavor to be closer to the customer through its diversified retail outlets. We also have a talented design team in place that is in step with the latest national and international fashion trends and ensures that they are reflected in our designs for our customers. Though the Company has its mitigation in place, fashion risk cannot be completely eliminated.

Brand Risk

Any event that tarnishes the image of the brand can lower the value of the brand and adversely affect the Company's business.

HUMAN RESOURCES

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees.

Focused and organized investment in training and development, continuance of productivity improvement efforts and an employee satisfaction survey are some of the highlights of our HR activities this year. Industrial relations across different locations of the Company were cordial during the year. The Company continues to maintain its focus on human resources development.

INTERNAL CONTROL SYSTEM AND ADEQUACIES

The Company has adequate internal control procedures commensurate with the size and nature of businesses. The internal control system is supplemented by extensive internal audits, regular reviews by the management and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Moreover, your Company continuously upgrades these systems in line with the best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board review the findings and recommendations of the internal auditors.

The Company's strong reputation for quality, product differentiation and service and the existence of a strong brand image and a strong marketing network mitigates the impact of price risks on finished goods.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

To the Members Bang Overseas Limited,

We have examined the compliance of conditions of Corporate Governance by Bang Overseas Limited ("the Company"), for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of the records maintained by the Company we state that as at 31st March 2008, there were no investor grievances pending with the Company.

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

For Kothari H & Associates
Company Secretaries

Hitesh Kothari
Membership No. : 16982

Place: Mumbai
Date: 25th August, 2008

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

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Brijgopal Bang, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2007-08.

Brijgopal Bang
Managing Director

Place: Mumbai
Date: 25th August, 2008

CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY

I, Brijgopal Bang, Managing Director of Bang Overseas Limited, certify that:

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

Brijgopal Bang
Managing Director

Place: Mumbai
Date : 25th August 2008

AUDITORS' REPORT

To,
The Members of
Bang Overseas Limited

1. We have audited the attached Balance Sheet of Bang Overseas Limited as at 31 March, 2008 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act 1956, we enclosed in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report as follows:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representation received from the directors, and taken on record by the Board of Directors, as on 31 March 2008, we report that, none of the directors is disqualified as on 31 March 2008 from being appointed as a director in terms of clause (g) of the sub-section (1) of the Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes to accounts give the information required by Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2008;
 - ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

For Rajendra K.Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place: Mumbai
Date: 25 August 2008

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of the even date)

- (i) In respect of fixed assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
 - (b) The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
 - (c) Fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of inventories:
 - (a) As explain to us, the inventories have been physically verified by the management during the year.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories.
- (iii) In respect of loans taken / granted:
 - (a) According to the information and explanation given to us, the Company has taken unsecured loans from two companies and twenty five parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount due during the year is Rs. 17,25,44,286 and the year end balance is Rs. 12,26,57,931.
 - (b) According to the information and explanation given to us, the Company has not granted loans to the Companies, firms, directors and the other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (c) In our opinion the terms and conditions on which the loan has been taken by the company are not prima facie prejudicial to the interest of the company.
 - (d) The Company is regular in repaying principal amount and interest as stipulated.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of it's business for the purchase of Inventory and Fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct measure weaknesses in such internal controls.
- (v) In respect of register maintained under Section 301 of the Companies Act, 1956:
 - (a) Based on the information and explanations given to us, the transaction pertaining to contracts and arrangements that need to be entered in to a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
 - (b) According to information and explanation given to us, the transactions made in pursuance of such contract or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.5,00,000/- or more in respect of any party have been made at prices which are reasonable having regards to the prevailing market prices.
- (vi) The Company has not accepted any deposit as referred to in Section 58 and 58AA of the Companies Act, 1956. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the internal audit functions carried out during the year by the Internal Auditor have been commensurate with the size of the Company and nature of it's business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing undisputed statutory dues with the appropriate authorities. There are no statutory disputed dues as at 31 March 2008.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
- (xii) According to the information and explanations given to us , the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a nidhi / mutual benefit fund / society.

- (xiv) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments. All the Investments made by the Company are in the name of the Company.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the explanation given, overall basis the term loan were applied for the purpose for which they were raised.
- (xvii) Based on the information and explanation given to us and over all examination of Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) We have verified the end use of money raised by public issue during the year and the same is disclosed in notes to the financial statements (Note B-5 of the Schedule 22).
- (xxi) To the best of our knowledge and belief and according to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

For Rajendra K.Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place: Mumbai
Date: 25 August 2008

Balance Sheet as at March 31, 2008

Particulars	Schedule	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	135,600,000	98,000,000
Reserves & Surplus	2	803,967,030	47,335,376
Loan Funds			
Secured Loans	3	121,612,416	108,443,224
Unsecured Loans	4	165,670,101	137,010,710
Deferred Tax Liabilities (Refer Note B-2 of the Schedule 22)		12,023,421	9,285,768
		1,238,872,968	400,075,078
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	163,635,207	127,896,714
Less: Depreciation		(24,192,653)	(13,311,424)
Net Block		139,442,554	114,585,290
Capital work-in-progress		81,288,127	-
		220,730,681	114,585,290
Investments			
	6	7,527,400	8,777,410
Current Assets, Loans and Advances			
Inventories	7	292,322,091	126,708,078
Sundry Debtors	8	347,470,638	176,749,990
Cash and Bank Balances	9	558,909,662	11,339,505
Loans and Advances	10	81,628,965	70,297,057
		1,280,331,355	385,094,631
Less: Current Liabilities and Provisions			
Liabilities	11	272,385,282	106,574,784
Provisions	12	9,880,390	10,100,170
		282,265,672	116,674,954
Net Current Assets			
Miscellaneous Expenses to the extent not written off or adjusted	13	12,549,204	8,292,701
		1,238,872,968	400,075,078
Notes to Accounts	22		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
Rajendra K. Gupta & Associates
Chartered Accountants

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

Rajendra Kumar Gupta
Partner
Membership No.: 9939

Place : Mumbai
Date : 25 August 2008

Venugopal Bang
Chairman

Place : Mumbai
Date : 25 August 2008

Brijgopal Bang
Managing Director

Kaushal Ameta
Company Secretary

Profit and Loss Account for the year ended March 31, 2008

Particulars	Schedule	Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
INCOME			
Sales	14	1,203,890,582	718,683,779
Other income	15	41,932,562	14,094,995
Increase in inventories	16	113,392,954	5,039,678
		1,359,216,098	737,818,452
EXPENDITURE			
Raw Material Consumption	17	349,743,726	196,529,045
Trade Purchases	18	630,383,620	307,972,092
Personnel Expenses	19	64,510,602	27,336,243
Manufacturing, Administrative, & Selling Expenses	20	123,159,408	66,803,881
Finance Expenses	21	38,487,716	25,459,255
Depreciation		11,073,105	6,510,460
Amortisation		3,607,494	2,073,175
		1,220,965,671	632,684,152
Profit Before Tax and Prior Period Items		138,250,427	105,134,300
Provisions		45,000,000	30,000,000
- Current Year Tax		2,737,653	6,005,093
- Deferred Tax		850,000	500,000
- Fringe Benefits Tax			
Net Profit after tax and before Prior Period Items		89,662,774	68,629,207
- Prior period adjustments		2,002,962	329,674
Net Profit		87,659,812	68,299,533
Profit as per last Balance Sheet		43,532,450	40,287,717
Profit available for appropriation :		131,192,262	108,587,250
Less appropriation : Bonus Shares		-	65,054,800
Profit Carried forward to Balance Sheet :		131,192,262	43,532,450
Earning per Share - Basic and Diluted (Refer Note B-4 of Schedule 22)		8.38	7.32
Notes on accounts	22		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

Rajendra K. Gupta & Associates

Chartered Accountants

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 25 August 2008

Venugopal Bang

Chairman

Place : Mumbai

Date : 25 August 2008

Brijgopal Bang

Managing Director

Kaushal Ameta

Company Secretary

Cash Flow Statement as at March 31, 2008

Particulars	2007-2008 Amount (Rs.)	2006-2007 Amount (Rs.)
A. Cash flow from Operating Activities		
Net profit before taxation	138,250,427	105,134,300
Adjustments for:		
Depreciation	11,073,105	6,510,460
Amortisation	3,607,494	2,073,175
(Profit) / Loss on sale of Fixed Assets	135,043	-
Sundry Balances Written off	(407,212)	-
Vat Refund	(284,825)	-
Exchange rate fluctuation gain	(2,507,689)	-
Interest income	(6,776,384)	(669,968)
Dividend income	(214,470)	(189,450)
Interest expense	38,487,716	25,459,255
Operating profit before Working Capital changes	181,363,205	138,317,773
Decrease / (Increase) in sundry debtors	(170,720,648)	(95,142,292)
Decrease / (Increase) in inventories	(165,614,013)	(15,219,988)
Decrease/(Increase) loans and advances	19,007,993	(49,226,804)
Increase / (Decrease) in current liabilities	165,798,338	57,985,262
Cash generated from operations	29,834,875	36,713,952
Direct taxes paid	(44,860,853)	(21,343,424)
Net Cash from Operating Activities	(15,025,978)	15,370,528
B. Cash flows from Investing activities		
Purchase of Fixed Assets	(36,545,068)	(46,595,623)
Capital work-in-progress	(81,288,127)	-
Receipt from sale of assets	479,654	-
Investment	1,250,010	-
Misc. Expenditure (Capitalised)	(38,203,898)	(11,457,650)
Interest received	6,776,384	669,968
Dividends received	214,470	189,450
Net Cash from Investing Activities	(147,316,574)	(57,193,855)
C. Cash flows from Financing Activities		
Proceeds from issuance of share capital	37,600,000	417,800
Unsecured Loans	28,659,391	18,264,330
Car Loan finance	(1,002,263)	(633,205)
Proceeds from long-term borrowings	(10,664,400)	822,000
Proceeds from working capital borrowing	24,835,855	44,559,962
Share premium received (Net of share issue expenses)	668,971,842	4,804,700
Interest paid	(38,487,716)	(25,459,255)
Net cash from Financing Activities	709,912,709	42,776,333
Net increase in cash and cash equivalents (A + B + C)	547,570,157	953,005
Cash and cash equivalents at the beginning of the year	11,339,505	10,386,500
Cash and cash equivalents at the end of the year	558,909,662	11,339,505

As per our report of even date
Rajendra K. Gupta & Associates
Chartered Accountants

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

Rajendra Kumar Gupta
Partner
Membership No.: 9939

Venugopal Bang **Brijgopal Bang** **Kaushal Ameta**
Chairman Managing Director Company Secretary

Place : Mumbai
Date : 25 August 2008

Place : Mumbai
Date : 25 August 2008

Schedules forming part of Balance Sheet as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 1 : Share Capital		
Authorised		
160,00,000 Equity Shares of Rs. 10/- each (Previous year 160,00,000 Equity Shares of Rs. 10/- each)	160,000,000	160,000,000
Issued, Subscribed & Paid up		
1,35,60,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 98,00,000 equity shares of Rs. 10/- each fully paid up) (of the above 85,05,480 shares of Rs. 10/- each are allotted as fully paid by way of bonus shares in earlier years) (of the above 7,51,740 shares of Rs. 10/- each are allotted as fully paid pursuant to an agreement without payments being received in cash)	135,600,000	98,000,000
	135,600,000	98,000,000
Schedule 2 : Reserves & Surplus		
Securities Premium Account		
Balance as per last account :	4,894,700	90,000
Add : Addition during the year	719,400,000	4,804,700
	724,294,700	4,894,700
Less : Application towards Share Issue Expenses	51,519,932	1,091,774
	672,774,768	3,802,926
Profit & Loss Account	131,192,262	43,532,450
	803,967,030	47,335,376
Schedule 3 : Secured Loans		
Cash / Export Credit with ING Vysya Bank Ltd. (Secured against hypothecation of inventories, book debts and personal guarantee of some directors)	95,975,701	71,139,846
Term Loan with ING Vysya Bank Ltd. (Secured by equitable mortgage of land and building and hypothecation of plant and machinery at Bangalore factory units and personnel guarantee of some directors) (Amount due within a year Rs. 1,25,78,800 (PY 1,06,64,400))	25,157,600	35,822,000
ICICI / HDFC Bank Car Loan (Secured against hypothecation of Car)	479,115	1,481,378
	121,612,416	108,443,224
Schedule 4 : Unsecured Loans		
From Promoters & Promoter Group	122,657,931	127,010,710
From Others	43,012,170	10,000,000
	165,670,101	137,010,710

Schedules forming part of Balance Sheet as at 31 March 2008

Schedule 5 : Fixed Assets

(Figures in Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1/4/2007	Addition	Deduction	As at 31/03/2008	Up to 1/4/2007	For the Year	Depreciation Adjustment	Up to 31/03/2008	As at 31/03/2008	As at 31/03/2007
A. Assets										
Plant & Machinery	53,114,278	16,113,785	-	69,228,063	4,726,202	3,225,208	-	7,951,410	61,276,654	48,388,077
Office equipment	2,459,533	783,552	-	3,243,085	461,060	272,789	-	733,849	2,509,236	1,998,472
Furniture	13,267,712	12,532,006	-	25,799,718	1,511,298	3,376,667	-	4,887,965	20,911,753	11,756,414
Computer system	5,631,830	5,851,199	-	11,483,028	1,820,045	1,968,639	-	3,788,684	7,694,344	3,811,785
Vehicles	6,217,026	435,835	806,573	5,846,288	2,094,376	674,858	191,876	2,577,358	3,268,930	4,122,650
Factory Building	45,644,354	341,922	-	45,986,276	2,688,309	1,536,595	-	4,224,904	41,761,372	42,956,045
Land	612,068	-	-	612,068	-	-	-	-	612,068	612,068
Building	132,270	-	-	132,270	3,488	2,094	-	5,582	126,688	128,782
Lease Building Improvement	817,643	486,768	-	1,304,411	6,646	16,255	-	22,901	1,281,510	810,997
Total	127,896,713	36,545,068	806,573	163,635,207	13,311,424	11,073,105	191,876	24,192,653	139,442,554	114,585,290
B. Capital work-in-progress										
Previous year 06-07	81,301,092	46,595,623	-	127,896,713	6,800,963	6,510,460		13,311,424	114,585,290	

Schedules forming part of Balance Sheet as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 6 : Investments		
a) Investment in Subsidiary Company - Unquoted		
2,84,750 Equity shares of Vedanta Creations Pvt. Ltd. (of Rs. 10 each fully paid up)	7,517,400	7,517,400
b) Investment in non trade securities - Unquoted		
i) 1000 Equity shares of Saraswat Co-op. Bank Ltd. (of Rs. 10 Each fully paid up)	10,000	10,000
ii) NIL (PY 62500) Equity shares of The A. P. Mahesh Urban Co-op. Bank Ltd. (of Rs. 20/- each fully paid up)	-	1,250,010
	7,527,400	8,777,410
Schedule 7 : Inventories (As taken, Valued & Certified by the Management)		
Raw materials and components	94,155,162	41,913,660
Work-in-progress	7,431,783	4,254,725
Finished goods	59,727,767	30,582,231
Trade goods	131,007,379	49,957,462
	292,322,091	126,708,078
Schedule 8 : Sundry Debtors (Unsecured and considered good)		
Debts outstanding for a period exceeding six months	39,763,613	16,791,982
Other Debts	307,707,025	159,958,007
	347,470,638	176,749,990
Schedule 9 : Cash and Bank Balances		
Cash on hand	832,818	1,097,228
Balances with scheduled banks : in Current Account	4,497,664	800,191
Balances with other banks : in Current Account	924,153	2,300,102
: in Public Issue Escrow Account	2,500,000	-
: in Fixed Deposit Account	550,155,027	7,141,984
	558,909,662	11,339,505
Schedule 10 : Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	15,463,788	12,607,775
Advances to Staff	666,504	134,027
Advance Tax & T.D.S. (Net of provisions)	728,205	728,205
Advances towards purchase of goods / services	48,202,762	47,252,140
Deposits	16,567,706	9,574,910
	81,628,965	70,297,057

Schedules forming part of Balance Sheet as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 11 : Current Liabilities		
Sundry creditors for goods	176,486,059	53,731,527
Other creditors	64,706,534	33,270,407
Subsidiary Company	19,635,188	4,221,706
Advances from buyer's	4,519,351	12,370,400
Duties & Taxes	7,038,151	2,980,743
	272,385,282	106,574,784
Schedule 12 : Provisions		
Provision for taxation (Net of advance payments)	9,254,360	9,734,957
Provision for gratuity	626,030	365,213
	9,880,390	10,100,170
Schedule 13 : Miscellaneous Expenditures		
Brand Development Expenses	10,273,455	5,514,906
Pre-operative expenses of new project	2,275,750	2,777,795
	12,549,204	8,292,701

Schedules forming part of Profit and Loss Account for the year ended 31 March 2008

Particulars	2007-2008 Rupees	2006-2007 Rupees
Schedule 14 : Sales		
Domestic Sales		
- Trade Goods	594,262,569	362,092,243
- Manufactured goods	298,810,451	183,177,297
Export Sales		
- Trade Goods	8,387,105	-
- Manufactured goods (Export Sales)	286,926,254	168,716,711
	1,188,386,379	713,986,250
- Jobwork Charges / Scrap Sales	15,504,203	4,697,529
Total Sales	1,203,890,582	718,683,779
Schedule 15 : Other Income		
Interest on Deposits (CY TDS Rs. 13,92,324, PY Rs. 1,51,375)	6,776,384	669,968
Rent / Hire Charges Received (CY TDS 15,42,772, PY Rs. 10,79,364)	6,240,000	6,286,279
Gain in Foreign Exchange Transaction (Net)	12,617,884	313,099
Dividend	214,470	189,450
Duty Drawback	15,391,787	6,630,389
Other Income	284,825	-
Sundry Balances Written off	407,212	5,811
	41,932,562	14,094,995
Schedule 16 : Increase in Inventories		
Inventories at beginning of the year		
- Trade goods	49,957,462	63,155,689
- Work-in-progress	4,254,725	-
- Finished goods	30,561,788	16,599,052
	(A) 84,773,975	79,754,740
Inventories at closing of the year		
- Trade goods	131,007,379	49,957,462
- Work-in-progress	7,431,783	4,254,725
- Finished goods	59,727,767	30,582,231
	(B) 198,166,929	84,794,418
	(A - B) 113,392,954	5,039,678
Schedule 17 : Raw Material Consumption		
Opening Stock - Raw materials	41,934,103	31,733,350
Add : Purchases - Raw materials	401,964,785	206,709,355
Less : Closing Stock - Raw materials	94,155,162	41,913,660
	349,743,726	196,529,045
Schedule 18 : Purchases		
Trade Purchases	556,626,606	263,562,519
Jobwork Charges	73,757,014	44,409,573
	630,383,620	307,972,092
Schedule 19 : Personnel Expenses		
Salaries, wages, PF and bonus	61,074,341	24,965,627
Workmen and staff welfare expenses	3,436,261	2,370,617
	64,510,602	27,336,243

Schedules forming part of Profit and Loss Account for the year ended 31 March 2008

Particulars	2007-2008 Rupees	2006-2007 Rupees
Schedule 20 : Manufacturing, Administrative & Selling Expenses		
Power & Fuel	5,659,994	2,685,555
Freight and forwarding charges	16,679,761	10,370,452
Rent	18,055,352	4,710,029
Rates & Taxes	6,514,511	3,004,216
Remuneration to Managing Director	1,220,000	100,000
Insurance Charges	1,641,198	1,143,519
Repairs & Maintenance		
- Plant & Machinery	834,975	47,092
- Building	152,125	389,274
- Other	1,528,680	810,157
Advertising	1,431,722	3,678,359
Sales Promotion	778,969	2,375,633
Brokerage & Sales Commission	19,538,954	9,249,760
Travelling expenses	4,135,326	2,871,319
Conveyance expenses	745,947	420,712
Telephone & Fax	2,425,601	1,482,336
Printing & Stationary	2,374,826	1,560,164
Legal, Professional and Consultancy fees	5,479,259	4,380,058
Loss on sale of fixed Assets	135,043	
Auditor's remuneration		
- Audit fee	75,000	53,344
- Tax Audit fee	25,000	20,000
Courier & Postage	2,329,219	1,114,681
Vehical Expenses	698,802	625,930
Packing Material Expenses	2,340,721	2,165,445
Cut Pack, Forwarding & Labour Charges	9,916,571	3,651,574
Transportation for factory workers	2,946,727	1,617,972
Washing Charges	4,564,082	2,136,049
Factory Maintenance	1,987,349	2,142,082
Security & Service Charges	1,763,014	1,532,598
Miscellaneous Expenses	7,180,681	2,465,570
	123,159,408	66,803,881
Schedule 21 : Finance Expenses		
Interest		
- On term loans	4,488,329	4,539,881
- On working capital loan	12,212,754	4,272,880
- On Others	15,767,765	13,326,350
- Bank Charges	6,018,868	3,320,143
	38,487,716	25,459,255

SCHEDULE 22: NOTES FORMING PART OF FINANCIAL STATEMENTS**A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of Financial Statements**

The financial statements are prepared under the historical cost convention on accrual basis 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 affects 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 / materialised.

3. Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest

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

(iii) Dividends

Revenue is recognised as and when received.

4. Fixed Assets & Capital work-in Progress

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.

Capital work-in progress includes advances given for purchase of warehouse. However it was informed to us that the company has given the advances on the basis of letter of intent.

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 manufacturing units situated in Bangalore. Fixed assets in Mumbai have been continued depreciated by following written down value method.

6. Inventories

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

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

7. Investments

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

Contribution to Provident Fund are made at a pre-determined rate and charged to the Profit and Loss Account.

Gratuity Liability under the Payment of Gratuity Act is accounted on the basis of determination made by management for the eligible employees based on number of year's service put in.

The company does not have the policy of leave encashment.

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 a 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.

B. NOTES ON ACCOUNTS:

1. Previous year figure has been regrouped, rearranged and restated whenever necessary.
2. 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.)

Particulars	31.03.2008	31.03.2007
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	1,06,66,361	76,93,439
On account of expenditure charged @ 100% in the tax computation i.e. Pre-operative Expenditure	26,72,973	27,91,323
Total	133,39,334	104,84,762
Deferred Tax Assets		
Expenditure disallowed u/s 43B	13,15,913	11,98,994
Deferred Tax Liabilities (Net)	1,20,23,421	92,85,768

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

4. Contingent Liabilities

(Rs.)

Particulars	31.03.2008	31.03.2007
Bank Guarantees	96,58,910	60,36,000
Letter of credit	12,09,21,313	8,73,14,000
Total	13,05,80,223	9,33,50,000

5. Details of IPO Proceeds Utilization

(Rs.)

Particulars	31.03.2008
Net Issue Proceeds	72,45,00,000
Utilization of Funds	
General Corporate Office	9,37,26,491
Setting up of Retail Stores & Brand Building	3,82,28,577
Setting up of Manufacturing Unit	25,000
Share Issue Expenses	5,15,19,932
Total	18,35,00,000

The balance unutilized proceeds are kept in Fixed Deposit with Scheduled Bank (except Rs. 25,00,000 lying in Escrow Account).

6. Segment Reporting

The company operates in only one reportable segment that is textile and textile products. Therefore, no separate disclosure of segment wise information is required.

7. Earning per Share (EPS)

Particulars	31.03.2008	31.03.2007
Net Profit	8,76,56,912	6,82,82,490
Weighted Average no. of shares outstanding at the end of the year	104,66,521	9330150
E.P.S. (Basic & Diluted)	8.38	7.32

8. Managerial Remuneration

Particulars	31.03.2008	31.03.2007
Managerial Remuneration for directors	12,20,000	1,00,000

Managerial remuneration for directors includes Rs. 12,00,000 as remuneration to Managing Director.

9. In view of insufficient information about suppliers regarding the status of SSI units, amounts overdue to such undertaking could not be ascertained.
10. Valuation of Inventories
The Company has changed its method of valuing Trade Goods Inventories from average cost to FIFO. This has the effect of increasing the closing stock Trade Goods value in the books of the Company by Rs. 96,75,609/-. The net amount of profit for the year has thus been overstated to that extent.
11. Information on Related Party Disclosure

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by KMP or their relatives	Total
Sales	-	-	-	2,281,717	2,281,717
Purchase	357,918	-	-	46,518,995	46,876,913
Loans (taken)	-	-	7,352,273	61,502,927	68,855,200
Loans taken from directors	-	7,681,220	-	-	7,681,220
Loan repaid	-	18,712,500	14,810,000	55,070,847	88,593,347
Interest	-	1,786,517	3,614,697	1,845,771	7,246,985
Salary	-	1,200,000	312,000	-	1,512,000

Names of related parties

Subsidiary Vedanta Creations Pvt. Ltd.

Key Management Personnel

- 1 Shri Venugopal Bang Chairman
2 Shri Brijgopal Bang Managing Director

Relatives of Key Management Personnel

- 1 Shri Balaram Bang Father
2 Smt. Radhadevi Bang Mother
3 Smt. Taradevi Bang Wife
4 Shri Raghvendra Bang Son
5 Shri Giridhar Gopal Bang Brother
6 Shri Raj Gopal Bang Brother
7 Shri Nand Gopal Bang Brother

Enterprises owned or significantly influenced by key management personnel or their relatives

- 1 Bodywave Fashions (I) Pvt. Ltd.
2 Bang Data Forms Pvt. Ltd.
3 Ramkumar Venugopal Investment (I) Pvt. Ltd.
4 Ramkumar Venugopal
5 Ramchandar Shivnarayan

As per our report of even date
Rajendra K. Gupta & Associates
Chartered Accountants

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

Rajendra Kumar Gupta
Partner
Membership No.: 9939

Place : Mumbai
Date : 25 August 2008

Venugopal Bang Chairman
Brijgopal Bang Managing Director
Kaushal Ameta Company Secretary

Place : Mumbai
Date : 25 August 2008

INFORMATION PURSUANT TO SCHEDULE VI OF THE COMPANIES ACT, 1956

1 During the financial year, the Company went for an IPO and raised an additional capital by issuing 35,00,000 equity share of Rs. 10/- each issued at a premium of Rs. 197/- amounting to Rs. 72,45,00,000/-.

2 Earnings in foreign currency	2007-2008	2006-2007
Exports at F.O.B. Value	295,313,359	168,716,711
3 Expenditure in foreign currency		
Travelling	1,055,353	1,580,302
4 Value of imports calculated on CIF basis		
Raw materials	175,029,255	111,888,573
Capital goods	10,008,656	18,070,662
	<u>185,037,911</u>	<u>129,959,235</u>

5 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

5.1 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		07-08	06-07	07-08	06-07	07-08	06-07
Readymade garment	Pcs	-	-	1195000	972000	* 816810	* 550612

* Does not include the garment manufactured no. of 1254556 pcs on job work basis from outsiders.

5.2 Quantitative and Value of opening stock, Purchase, Production, sales and closing stock as per sheet attached

5.3 Consumption of raw materials and components

Particulars	Unit	2007-2008		2006-2007	
		Qty.	Value	Qty	Value
Fabrics	Mtr.	3,023,506	263,233,220	1,823,160	147,913,651

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

5.4 Imported and indigenous raw materials

Particulars	2007-2008		% of total Consumption	2006-2007		% of total Consumption
	Quantity	Value		Quantity	Value	
Fabrics						
Imported	1,902,985	159,275,070	62.94	1127399	89,544,033	61.84
Indigenous	1,120,521	103,958,150	37.06	695761	58,369,618	36.16
	3,023,506	263,233,220	100	1,823,160	147,913,651	100
Accessories						
Imported	-	10,586,434	14.97		9,468,692	22.75
Indigenous	-	60,150,453	85.03		32,143,905	77.25
		70,736,887	100		41,612,597	100

Financial Year : 2007-2008
Additional information pursuant to the provisions of para 3 & 4 of part II of Schedule VI of the Companies Act
A) Opening stock, purchases, sales & closing stock of Manufacturing Goods

Particulars	Unit	Opening Stock		Purchase		Consumption		Production		Sales		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Cotton Fabrics	MTR	450,579 (300,377)	35,130,667 (22,261,513)	3,564,888 (1,979,913)	310,194,666 (161,341,729)	3,023,306 (1,823,160)	263,233,220 (147,507,586)	-	-	73,102 (6,552)	9,750,701 (654,164)	918,859,66 (450,578,81)	74,355,243 (35,130,667)
Accessories		-	11,037,718 (9,471,837)	-	103,223,032 (45,367,623)	-	70,736,887 (41,612,597)	-	-	-	3,432,233	-	27,231,701 (11,037,718)
Labour charges (Garmentis)		-	-	-	53,391,874 (41,898,244)	-	53,391,874 (40,999,744)	-	-	-	-	-	-
Readymade Shirts & Trousers	PCS	176,902 (84,361)	30,582,231 (16,599,052)	18,092 (2,136)	4,020,518 (456,537)	-	-	1,943,733 (1,116,907)	-	1,870,306 (1,026,502)	585,275,997 (351,894,007)	268,421 (176,902)	59,727,767 (30,582,231)
CM Receipts & Scrap Sales		-	-	-	-	-	-	-	-	-	15,504,203 (4,637,618)	-	-
Total		-	76,750,616 (48,332,402)	-	470,830,090 (249,064,133)	-	387,361,981 (230,119,927)	-	-	-	613,963,134 (357,185,789)	-	161,314,711 (76,750,616)
Previous year		-	-	-	-	-	-	-	-	-	-	-	-

B) Opening stock, purchases, sales & closing stock of Trade Goods

Particulars	Unit	Opening Stock		Purchase		Sales		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Cotton Fabric	MTR	839,636 (1,114,531)	49,957,462 (61,172,619)	7,108,621 (4,046,464)	530,728,278 (246,618,557)	6,288,457 (4,321,359)	579,937,082 (345,151,543)	1,659,801 (839,636)	130,942,729 (49,957,462)
Cotton Yarn	KGS	-	-	119,300 (243,596)	7,832,503 (16,487,425)	119,300 (277,834)	6,987,521 (16,286,536)	(0.08)	-
Precious Stones & Diamonds	CTS	(34,238)	(1,983,069)	28.11	1,703,822	28.11	1,831,610	-	-
Gold	GMS	-	-	1,000.00	888,570	925.33	1,171,235	74.67	64,649
Total		-	49,957,462 (63,155,688)	-	541,153,173 (263,105,982)	-	589,927,448 (361,438,079)	-	131,007,379 (49,957,462)
Previous year		-	-	-	-	-	-	-	-

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

Registration No.:	U51900MH1992PLC067013	State Code	11
Balance Sheet Date :	31 March 2008		

2 CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. LACS)

Public Issue	7,245.00	Right Issue	NIL
Bonus Issue	NIL	Private Placement	325.00

3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. LACS)

Total Liabilities	12,388.73	Total Assets	12,388.73
-------------------	-----------	--------------	-----------

Sources of Funds

Paid up Capital	1,356.00	Reserves & Surplus	8,039.67
Secured Loans	1,216.12	Unsecured Loans	1,656.70
Deferred Tax (Net)	120.23		

Application of Funds

Net Fixed Assets	2,207.31	Investments	75.27
Net Current Assets	9,980.66	Misc. Expenditures	125.49

4 PERFORMANCE OF THE COMPANY (AMOUNT IN RS. LACS)

Total Income	13,592.16	Total Expenditure	12,209.66
Profit Before Tax	1,382.50	Profit After Tax	876.60
Earning per share (Rs.)	8.38	Dividend	NIL

**5 GENERAL NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY
(AS PER MONETARY TERMS)**

Item Code No.	52084230	62052000	52052190
Product Description	Cotton Fabrics	Readymade Garments	Cotton Yarn

As per our report of even date
Rajendra K. Gupta & Associates
 Chartered Accountants

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

Rajendra Kumar Gupta
 Partner
 Membership No.: 9939

Place : Mumbai
 Date : 25 August 2008

Venugopal Bang
 Chairman

Place : Mumbai
 Date : 25 August 2008

Brijgopal Bang
 Managing Director

Kaushal Ameta
 Company Secretary

To,

The Board of Directors

Bang Overseas Limited

1. We have audited the attached Consolidated Balance Sheet of Bang Overseas Limited ('the Company') and its subsidiary Vedanta Creations Private Limited (the Company and its Subsidiary Constitute 'the Group') as at March 31, 2008 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. Those financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21 - Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India;
4. Based on our audit of financial statements of the holding and the subsidiary company and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2008;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For Rajendra K. Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place : Mumbai
Date : 25 August 2008

Consolidated Balance Sheet as at March 31, 2008

Particulars	Schedule	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	135,600,000	98,000,000
Reserves & Surplus	2	881,531,503	97,342,378
Loan Funds			
Secured Loans	3	135,040,004	118,697,982
Unsecured Loans	4	200,746,136	149,786,156
Deferred Tax Liabilities (Refer Note B-2 of the Schedule 22)		12,069,093	9,301,186
TOTAL		1,364,986,736	473,127,702
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	167,810,995	130,915,034
Less: Depreciation		(25,996,831)	(14,568,469)
Net Block		141,814,164	116,346,565
Capital Work In Progress		81,288,127	-
		223,102,291	116,346,565
Investments			
	6	10,000	1,261,012
Current Assets, Loans and Advances			
Inventories	7	355,646,938	158,046,644
Sundry Debtors	8	432,662,649	262,146,461
Cash and Bank Balances	9	567,422,053	13,547,715
Loans and Advances	10	114,420,521	81,791,248
		1,470,152,160	515,532,069
Less: Current Liabilities and Provisions			
Current Liabilities	11	294,736,086	136,494,032
Provisions	12	46,090,833	31,810,613
		340,826,919	168,304,645
Net Current Assets			
		1,129,325,241	347,227,424
Miscellaneous Expenses to the extent not written off or adjusted	13	12,549,204	8,292,701
TOTAL		1,364,986,736	473,127,702
Notes to Accounts	22		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
Rajendra K. Gupta & Associates
Chartered Accountants

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

Rajendra Kumar Gupta
Partner
Membership No.: 9939

Place : Mumbai
Date : 25 August 2008

Venugopal Bang
Chairman

Place : Mumbai
Date : 25 August 2008

Brijgopal Bang
Managing Director

Kaushal Ameta
Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2008

Particulars	Schedule	Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
INCOME			
Sales	14	1,458,530,293	966,216,143
Other income	15	41,892,138	15,626,672
Increase in inventories	16	145,379,235	15,679,926
		1,645,801,666	997,522,741
EXPENDITURE			
Raw Material Consumption	17	349,743,726	196,529,045
Trade Purchases	18	859,983,424	493,893,375
Personnel Expenses	19	67,118,965	29,690,316
Manufacturing, Administrative, & Selling Expenses	20	131,517,110	74,791,260
Finance Expenses	21	42,057,380	27,912,311
Depreciation		11,620,238	6,890,226
Amortisation		3,607,494	2,073,175
		1,465,648,337	831,779,709
Profit Before Tax and Prior Period Items		180,153,329	165,743,032
Provisions :			
- Current Year Tax		59,420,000	50,500,000
- Deferred Tax		2,767,908	6,011,721
- Fringe Benefits Tax		930,000	562,000
- Provision for Doubtful Debts		100,000	-
Net Profit after tax and before Prior Period Items		116,935,421	108,669,311
- Prior period adjustments		2,002,962	752,069
Net Profit		114,932,459	107,917,242
Profit as per last Balance Sheet		90,166,679	54,219,409
Profit available for appropriation :		205,099,138	162,136,651
Less appropriation : Bonus Shares		-	65,054,800
Profit Carried forward to Balance Sheet :		205,099,138	97,081,851
Earning per Share - Basic and Diluted (Refer Note B-4 of Schedule 22)		11.01	11.65
Notes on accounts	22		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

Rajendra K. Gupta & Associates

Chartered Accountants

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 25 August 2008

Venugopal Bang

Chairman

Place : Mumbai

Date : 25 August 2008

Brijgopal Bang

Managing Director

Kaushal Ameta

Company Secretary

Consolidated Cash Flow Statement as at March 31, 2008

Particulars	2007-2008 Amount Rs.	2006-2007 Amount Rs.
A. Cash flow from Operating Activities		
Net profit before taxation	180,438,154	164,495,925
Adjustments for:		
Depreciation	11,620,238	6,890,226
Amortisation	3,607,494	2,073,175
(Profit) / Loss on sale of Fixed Assets	135,041	(50,273)
Sundry Balances Written off	(402,290)	-
Vat Refund, Prior Period, Insurance Claim	(284,825)	1,205,501
Exchange rate fluctuation gain	(2,492,252)	11,600
Interest income	(6,945,624)	(839,219)
Dividend income	(214,470)	(189,620)
Bad Debts Written Off	55,304	8,971
Interest expense	41,363,677	27,588,225
Operating profit before working capital changes	226,880,447	201,194,512
Decrease / (Increase) in Sundry Debtors	(170,869,804)	(137,736,118)
Decrease / (Increase) in Inventories	(197,600,294)	(25,860,236)
Decrease/(Increase) Loans and Advances	3,460,835	(48,776,686)
Increase / (Decrease) in Current Liabilities	173,785,569	45,502,670
Cash generated from operations	35,656,753	34,324,143
Direct taxes paid	(66,013,522)	(31,802,849)
Net cash from Operating Activities	(30,356,769)	2,521,294
B. Cash flow from Investing Activities		
Purchase of fixed assets	(37,677,794)	(47,830,616)
Capital work-in-progress	(81,288,127)	-
Receipt from sale of assets	479,654	322,000
Investment	1,251,010	-
Misc. Expenditure (Capitalised)	(38,203,898)	(11,457,650)
Interest received	6,945,624	839,219
Dividends received	214,470	189,620
Net cash from Investing Activities	(148,279,060)	(57,937,427)
C. Cash flow from Financing Activities		
Proceeds from issuance of share capital	37,600,000	3,892,800
Unsecured Loans	50,959,980	25,873,919
Car Loan finance	(1,002,263)	(633,205)
Proceeds from long-term borrowings	(10,664,400)	822,000
Proceeds from working capital borrowing	28,008,685	51,075,982
Share premium received (Net of share issue expenses)	668,971,842	4,804,700
Interest paid	(41,363,677)	(27,588,225)
Net cash from Financing Activities	732,510,167	58,247,972
Net increase in cash and cash equivalents (A + B + C)	553,874,338	2,831,838
Cash and cash equivalents at the beginning of the year	13,547,715	10,715,877
Cash and cash equivalents at the end of the year	567,422,053	13,547,715

As per our report of even date
Rajendra K. Gupta & Associates
 Chartered Accountants

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

Rajendra Kumar Gupta
 Partner
 Membership No.: 9939

Place : Mumbai
 Date : 25 August 2008

Venugopal Bang
 Chairman

Place : Mumbai
 Date : 25 August 2008

Brijgopal Bang
 Managing Director

Kaushal Ameta
 Company Secretary

Schedules forming part of Consolidated Accounts as at 31 March 2008

Schedules to the Accounts	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 1 : Share Capital		
Authorised		
160,00,000 Equity Shares of Rs. 10/- each (Previous year 160,00,000 Equity Shares of Rs. 10/- each)	160,000,000	160,000,000
Issued, Subscribed & Paid up		
1,35,60,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 98,00,000 equity shares of Rs. 10/- each fully paid up)	135,600,000	98,000,000
Note : Share Capital includes 85,05,480 Equity Shares of Rs. 10/- each allotted as fully paid bonus shares by Capitalisation of General Reserve, in earlier years)		
	135,600,000	98,000,000
Schedule 2 : Reserves & Surplus		
Capital Reserve on Consolidation	24,347,600	24,347,600
General Reserve	4,915,173	4,915,173
Securities Premium Account		
Balance as per last account :	8,022,200	3,217,500
Add : Addition during the year	719,400,000	4,804,700
	727,422,200	8,022,200
Less : Application towards Share Issue Expenses	51,519,932	1,091,774
	675,902,268	6,930,426
Profit & Loss Account	176,366,462	61,149,179
	881,531,503	97,342,378
Schedule 3 : Secured Loans		
Cash / Export Credit with ING Vysya Bank Ltd. & HSBC Bank Ltd. (Secured against hypothecation of inventories and book debts and personal guarantee of some directors)	109,403,289	81,367,220
Term Loan with ING Vysya Bank Ltd. / A.P. Mahesh Co.op. Bank Ltd. (Secured by equitable mortgage of land and building and hypothecation of plant and machinery at Bangalore factory units) and personnel guarantee of some directors (Amount due within a year Rs. 1,25,78,800 (PY 1,06,64,400))	25,157,600	35,822,000
ICICI / HDFC Bank Car Loan (Secured against hypothecation of Car)	479,115	1,508,762
	135,040,004	118,697,982
Schedule 4 : Unsecured Loans		
From Promoters & Promoter Group	157,733,966	139,786,156
From Others	43,012,170	10,00,000
	200,746,136	149,786,156

Schedules forming part of Consolidated Accounts as at 31 March 2008

Schedule 5 : Fixed Assets

(Figures in Rupees)

Particulars	Gross Block				Depreciation			Net Block		
	As at 1/4/2007	Addition	Deduction	As at 31/03/2008	Up to 1/4/2007	For the Year	Depreciation Adjustment	Up to 31/03/2008	As at 31/03/2008	As at 31/03/2007
A. Assets										
Plant & Machinery	53,193,495	16,200,619	-	69,394,114	4,768,955	3,230,280	-	7,999,235	61,394,880	48,424,541
Office Equipment	3,037,058	783,552	-	3,820,610	659,277	331,789	-	991,066	2,829,544	2,377,780
Furniture	13,422,273	12,532,006	-	25,954,279	1,576,084	3,392,916	-	4,969,000	20,985,279	11,846,189
Computer System	6,445,032	5,929,839	-	12,374,870	2,351,079	2,099,850	-	4,450,929	7,923,941	4,093,953
Vehicles	7,610,841	1,427,830	806,573	8,232,098	2,514,631	1,010,458	191,876	3,333,213	4,898,885	5,096,210
Factory Building	45,644,354	341,922	-	45,986,276	2,688,309	1,536,595	-	4,224,904	41,761,372	42,956,045
Land	612,068	-	-	612,068	-	-	-	-	612,068	612,068
Building	132,270	-	-	132,270	3,488	2,094	-	5,582	126,688	128,782
Lease Building Improvement	817,643	486,768	-	1,304,411	6,646	16,255	-	22,901	1,281,510	810,997
	130,915,033	37,702,537	806,573	167,810,996	14,568,469	11,620,237	191,876	25,996,830	141,814,166	116,346,565
B. Capital Work in Progress										
Previous Year 06-07	83,706,406	47,830,616	621,987	130,915,033	8,028,502	6,890,226	350,259	14,568,469	116,346,565	-

Schedules forming part of Consolidated Accounts as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 6 : Investments		
Investment in non trade securities - Unquoted		
i) 1000 Equity shares of Saraswat Co-op. Bank Ltd., (of Rs. 10 Each fully paid up.)	10,000	10,000
ii) NIL (PY 62500) Equity shares of The A. P. Mahesh Urban. Co-op. Bank Ltd. (of Rs. 20/- each fully paid up)	-	1,251,012
	10,000	1,261,012
Schedule 7 : Inventories (As taken, Valued & Certified by the Management)		
Raw materials and components	94,155,162	41,913,660
Work-in-progress	7,431,783	4,254,725
Finished goods	59,727,767	30,582,231
Trade goods	194,332,226	81,296,028
	355,646,938	158,046,644
Schedule 8 : Sundry Debtors (Unsecured and considered good)		
Debts outstanding for a period exceeding six months	43,217,362	19,359,950
Other Debts	389,445,287	242,786,510
	432,662,649	262,146,461
Schedule 9 : Cash and Bank Balances		
Cash on hand	966,231	1,252,001
Balances with scheduled banks : in Current Account	4,676,642	1,599,518
Balances with other banks : in Current Account	924,153	3,554,212
: in Public Issue Escrow Account	2,500,000	-
: in Fixed Deposit Account	558,355,027	7,141,984
	567,422,053	13,547,715
Schedule 10 : Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received.	15,646,862	12,733,978
Advances to Staff	666,504	134,027
Advance Tax & T.D.S. (Net of provision)	32,340,299	11,187,630
Advances towards purchase of goods / services	48,202,762	47,252,140
Deposits	17,564,094	10,483,473
	114,420,521	81,791,248
Schedule 11 : Current Liabilities		
Sundry creditors for goods	216,103,630	85,121,047
Other creditors	67,074,955	36,021,841
Advances from buyer's	4,519,351	12,370,400
Duties & Taxes	7,038,151	2,980,743
	294,736,086	136,494,032
Schedule 12 : Provisions		
Provision for taxation (Net of advance payments)	45,464,803	31,445,400
Provision for gratuity	626,030	365,213
	46,090,833	31,810,613
Schedule 13 : Miscellaneous Expenditures		
Brand Development Expenses	10,273,455	5,514,906
Pre-operative expenses of new project	2,275,750	2,777,795
	12,549,204	8,292,701

Schedules forming part of Consolidated Accounts as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 14 : Sales		
Domestic Sales		
- Trade Goods	849,260,198	615,149,396
- Manufactured goods	298,810,451	183,442,667
Export Sales		
- Trade Goods	8,387,105	530,295
- Manufactured goods (Export Sales)	286,926,254	168,716,711
	1,443,384,008	967,839,068
Less : Inter Company Transfer :	(357,918)	(6,320,454)
Net Sales :	1,443,026,090	961,518,614
- Jobwork Charges / Scrap Sales	15,504,203	4,697,529
	1,458,530,293	966,216,143
Schedule 15 : Other Income		
Interest on Deposits (CY TDS Rs. 13,92,324, PY Rs. 1,51,375)	6,945,624	839,219
Rent / Hire Charges Received (CY TDS 15,42,772, PY Rs. 10,79,364)	6,240,000	6,286,279
Gain in Foreign Exchange Transaction (Net)	12,602,447	301,499
Dividend	214,470	189,620
Duty Drawback	15,391,787	6,630,389
Other Income	90,598	1,373,856
Sundry Balances Written off	407,212	5,811
	41,892,138	15,626,672
Schedule 16 : Increase in Inventories		
Inventories at beginning of the year		
- Trade goods	81,296,028	83,854,007
- Work-in-progress	4,254,725	-
- Finished goods	30,561,788	16,599,052
	(A) 116,112,541	100,453,058
Inventories at close of the year		
- Trade goods	194,332,226	81,296,028
- Work-in-progress	7,431,783	4,254,725
- Finished goods	59,727,767	30,582,231
	(B) 261,491,776	116,132,984
	(A - B) 145,379,235	15,679,926
Schedule 17 : Raw Material Consumption		
Opening Stock - Raw materials	41,934,103	31,733,350
Add : Purchases - Raw materials	401,964,785	206,709,355
Less : Closing Stock - Raw materials	94,155,162	41,913,660
	349,743,726	196,529,045
Schedule 18 : Purchases		
Trade Purchases	786,584,328	455,804,256
Jobwork Charges	73,757,014	44,409,573
	860,341,342	500,213,829
Less : Inter Company Transfer	(357,918)	(6,320,454)
Net Purchases :	859,983,424	493,893,375
Schedule 19 : Personnel Expenses		
Salaries, wages, PF and bonus	63,578,910	27,239,050
Workmen and staff welfare expenses	3,540,055	2,451,267
	67,118,965	29,690,316

Schedules forming part of Consolidated Accounts as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 20 : Manufacturing, Administrative & Selling Expenses		
Power & Fuel	5,968,460	2,872,941
Bad Debts	55,304	8,971
Freight and forwarding charges	18,127,003	12,055,862
Rent	18,055,352	4,710,029
Rates & Taxes	7,963,304	4,393,180
Remuneration to Managing Director	1,340,000	340,000
Insurance Charges	1,812,980	1,361,777
Repairs & Maintenance		
- Plant & Machinery	1,191,018	243,780
- Building	152,125	389,274
- Other	1,528,680	810,157
Advertising	1,431,722	3,678,359
Sales Promotion	933,710	2,445,381
Brokerage & Sales Commission	21,095,030	10,931,338
Travelling expenses	5,330,132	4,397,087
Conveyance expenses	794,067	451,108
Telephone & Fax	2,632,117	1,668,483
Printing & Stationary	2,575,572	1,649,017
Legal, Professional and Consultancy fees	5,518,845	4,427,182
Loss on sale of fixed Assets	135,043	-
Auditor's remuneration		
- Audit fee	105,000	78,344
- Tax Audit fee	25,000	20,000
Courier & Postage	2,385,718	1,185,328
Vehical Expenses	860,773	742,151
Packing Material Expenses	3,025,863	2,278,910
Cut Pack, Forwarding & Labour Charges	9,916,571	3,659,350
Transportation for factory workers	2,946,727	1,617,972
Washing Charges	4,564,082	2,136,049
Factory Maintenance	1,987,349	2,142,082
Security & Service Charges	1,763,014	1,532,598
Miscellaneous Expenses	7,296,550	2,564,549
	131,517,110	74,791,260
Schedule 21 : Finance Expenses		
Interest		
- On term loans	4,488,329	4,539,881
- On working capital loan	15,088,715	6,401,850
- On Others	15,767,765	13,326,350
- Bank Charges	6,712,571	3,644,229
	42,057,380	27,912,311

SCHEDULE 22: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION****1. Basis of preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

2. Principles of Consolidation

The consolidated financial statements relate to Bang Overseas Ltd., (Parent Company) and Vedanta Creations Pvt. Ltd. (the wholly owned subsidiary company). The financial statements of the Parent Company and its Subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, if any.

3. Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest

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

(iii) Dividends

Revenue is recognised as and when received.

4. Fixed Assets & Capital Work In Progress

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.

Capital work-in progress includes advances for capital expenditures.

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 manufacturing units situated in Bangalore. Fixed assets in Mumbai have been continued depreciated by following written down value method.

6. Inventories

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

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

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 prepared 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

Contribution to Provident Fund are made at a pre-determined rate and charged to the Profit and Loss Account.

Gratuity Liability under the Payment of Gratuity Act is accounted on the basis of determination made by management for the eligible employees based on number of year's service put in.

The company does not have the policy of leave encashment.

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.

B. NOTES ON ACCOUNTS:

1. Previous year figures has been regrouped, rearranged and restated whenever necessary.
2. 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.)

Particulars	31.03.2008	31.03.2007
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	1,07,12,033	77,08,856
On account of expenditure charged @ 100% in the tax computation i.e. Pre-operative Expenditure	26,72,973	27,91,323
Total	1,33,85,006	105,00,179
Deferred Tax Assets		
Expenditure disallowed u/s 43B	13,15,913	11,98,994
Deferred Tax Liabilities (Net)	1,20,69,093	93,01,185

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

4. **Contingent Liabilities**

(Rs.)

Particulars	31.03.2008	31.03.2007
Bank Guarantees	96,58,910	60,36,000
Letter of Credit	15,31,46,443	8,73,14,000
Total	16,28,05,353	9,33,50,000

5. **Segment Reporting**

The group operates in only one reportable segment that is textile and textile products. Therefore no separate disclosure of segment wise information is required.

6. **Earning per Share (EPS)**

Particulars	31.03.2008	31.03.2007
Net Profit	11,52,17,284	10,79,17,242
Weighted Average no. of shares outstanding at the end of the year	104,66,521	93,30,150
E.P.S. (Basic & Diluted)	11.01	11.65

7. **Valuation of Inventories**

Parent Company has changed its method of valuing Trade Goods Inventories from average cost to FIFO. This has the effect of increasing the closing stock Trade Goods value in the books of Parent Company by Rs. 96,75,609/-. The net amount of profit for the year has thus been overstated to that extent.

The Subsidiary Company has changed its method of valuing Trade Goods Inventories from average cost to FIFO. This has the effect of increasing the closing stock Trade Goods value in the books of Parent Company by Rs.33,65,869/-. The net amount of profit for the year has thus been overstated to that extent.

Financial Year : 2007-2008

Consolidated Additional information pursuant to the provisions of para 3 & 4 of part II of Schedule VI of the Companies Act.

A) Opening stock, purchases, sales & closing stock of Manufacturing Goods.

Particulars	Unit	Opening Stock		Purchase		Consumption		Production		Sales		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Cotton Fabrics	MTR	450,579 (300,377)	35,130,667 (22,261,513)	3,564,888 (1,979,913)	310,194,666 (161,341,729)	3,023,506 (1,823,160)	263,233,220 (147,507,586)	-	-	73,102 (6,552)	9,750,701 (654,164)	918,859.66 (450,578.81)	74,355,243 (35,130,667)
Accessories		-	11,037,718 (9,471,837)	-	103,223,032 (45,367,623)	-	70,736,887 (41,612,597)	-	-	-	3,432,233	-	27,231,701 (11,037,718)
Labour charges (Garments)		-	-	-	53,391,874 (41,898,244)	-	53,391,874 (40,999,744)	-	-	-	-	-	-
Readymade Shirts & Trousers	PCS	177,302 (84,361)	30,705,565 (16,599,052)	18,092 (2,136)	4,020,518 (456,537)	-	-	1,943,733 (1,116,907)	-	1,870,306 (1,026,502)	585,275,997 (351,894,007)	268,821 (176,902)	59,851,101 (30,582,231)
CM Receipts & Scrap Sales		-	-	-	-	-	-	-	-	-	15,504,203 (4,637,618)	-	-
Total Previous year			76,873,950 (48,332,402)		417,438,216 (207,165,889)		333,970,107 (189,120,183)				613,963,134 (352,548,171)		161,438,045 (76,750,616)

B) Opening stock, purchases, sales & closing stock of Trade Goods.

	Unit	Opening Stock		Purchase		Consumption		Production		Sales		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Cotton Fabric	MTR	1,258,507 (1,385,615)	81,172,694 (81,565,773)	9,814,182 (6,636,952)	760,686,000 (438,859,878)					8,697,070 (6,763,889)	838,295,232 (598,738,991)	2,375,619 (1,258,507)	194,144,242 (81,172,694)
Cotton Yarn	KGS	- (34,238)	- (1,983,069)	119,300 (243,596)	7,832,503 (16,487,425)	-	-	-	-	119,300 (277,834)	6,987,521 (16,286,536)	(0.08)	-
Precious Stones & Diamonds	CTS	-	-	28.11	1,703,822	-	-	-	-	28.11	1,831,610	-	-
Gold	GMS	-	-	1,000.00	888,570	-	-	-	-	925.33	1,171,235	74.67	64,649
Total Previous year			81,172,694 (83,548,842)		771,110,895 (455,347,303)		-				848,285,598 (615,025,527)		194,208,892 (81,172,694)

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

1. Name of the Subsidiary Company	VEDANTA CREATIONS PVT. LTD.
2. Financial year of the subsidiary ended on	31st March 2008
3. Date from which it became subsidiary	3rd November 2006
4. Extent of the Holding Company's interest in the subsidiary company at the end of the financial year of the subsidiary company	284750 Equity Shares of Rs. 10/- each fully paid up, e.g. 100% of the paid capital of the subsidiary company.
5. Net aggregate amount of the profit (losses) of the subsidiary company not dealt within the Holding Company's accounts (concerning the members of the Holding Company) a. For the current year b. For the previous years since it became subsidiary	Profit Rs. 275.57 Lacs Profit Rs. 466.34 Lacs
6. Net aggregate amount of the profit (losses) of the subsidiary company dealt within the Holding Company's account a. For the current year b. For the previous years since it became subsidiary	NIL NIL
7. Change of interest of Bang Overseas Ltd. in the subsidiary between end of the financial year of subsidiary and that of Bang Overseas Ltd.	Not Applicable
8. Material changes between the end of the financial year in the subsidiary and the end of financial year of Bang Overseas Ltd. in respect of subsidiary's fixed assets, investments, lending and borrowing for purposes other than meeting their current liabilities.	Not Applicable

For and on behalf of the Board of Directors

Brijgopal Bang
Managing Director

Place : Mumbai
Date : 25 August 2008

Vedanta Creations Pvt. Ltd.

REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in presenting their Seventh Annual Report together with Audited Accounts of the Company for the year ended 31st March 2008.

FINANCIAL PERFORMANCE AND REVIEW OF OPERATION

During the year under review of the company has made turnover of Rs 25,49,97,629/- and earned profit of Rs.2,75,57,472/- after providing for taxation Rs. 1,44,20,000/- as compare to previous year profit of Rs.3,96,17,710/- after providing for taxation Rs.2,05,00,000/-.

DIVIDEND

In order to conserve the resources your directors do not recommend any dividend.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

There were Foreign Exchange outgo of Rs 3,26,26,924/- on account of import of fabrics and Rs.1,96,945/- for foreign travelling.

FIXED DEPOSITS

The company has not accepted fixed deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES

The company did not employ during the year under review, any person carrying emoluments in excess of the limit prescribed under section 217 (2A) of the companies Act, 1956 read with the companies (Particulars of Employees) Rule 1975.

DIRECTOR RESPONSIBILITY STATEMENT

In accordance with the Companies (Amendment) Act 2000, the Directors states that:

- (a) In the preparation of the annual accounts, the applicable accounting standard have been followed and proper explanation relating to material departures, if any, have been furnished.
- (b) Accounting policies as listed in schedule N to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company for the Accounting year ended on that date.
- (c) Proper and sufficient care for the maintenance of adequate accounting records have been taken in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing the detecting fraud and other irregularities;
- (d) The directors have prepared annual accounts on a going concern basis.

DIRECTORS

During the financial year Mr. Vishwanth Cheruvu, appointed as an additional directors and a request has been received from the member for the confirmation as a director in the ensuing Annual General Meeting.

AUDITORS

Directors recommend appointment M/s. Rajendra K. Gupta & Associates, Chartered Accountants, retire as auditors of the company at the ensuing Annual General Meeting, and are eligible for reappointment.

SECRETARIAL AUDIT

In accordance with the provisions of Section 383A of the Companies Act, 1956 Secretarial Audit of the Company has been done by whole time Company Secretary of the Company.

ACKNOWLEDGMENT

The Directors express their humble thanks to the Bankers and all other well wishers connected with the Company's progress for the excellent Co-operation and Valuable assistance provided by them during the year under the review, and look forward to the same in the years to come.

For & on behalf of Board of Directors

Venugopal Bang Brijgopal Bang
Director Director

Place : Mumbai
Date : 19 August 2008

AUDITOR'S REPORT

To,

The Members of
Vedanta Creations Pvt. Ltd.

We have audited the attached Balance Sheet of Vedanta Creations Pvt. Ltd. as at March 31, 2008, and also the Profit and Loss account and the Cash Flow statement annexed thereto for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
3. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books; Proper returns adequate for the purpose of our Audit have been received from the branches not visited by us.
 - (c) The Balance Sheet and the Profit and Loss Account and Cash flow dealt with in this report are in agreement with the books of accounts; and with the returns received from the branches.
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account and cash flow dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956, and
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 - (iii) in the case of Cash Flow statement of the cash flows for the year ended on that date.

For Rajendra K. Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place : Mumbai
Date : 19 August 2008

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of the even date)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) In our opinion, the fixed assets register have been physically verified by the management at reasonable intervals, having regards to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory are noticed.
- (c) In our opinion, during the year no substantial parts of fixed assets have been disposed of by the company.
- (ii) (a) The inventory report of the company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) on the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firm or other parties listed in the Register maintained Under Section 301 of the Companies Act, 1956 Paragraphs (iii) (f) and (g) of the Order are not applicable.
- (b) The company has taken unsecured loans from sixteen parties in the register maintained U/S 301 of the Companies Act, 1956. The maximum amount due during the year is Rs. 3,97,62,446 /- and year end balance Rs.3,50,76,035/- .
- (c) In our opinion, the terms and conditions on which loan has been taken are not prima facie prejudicial to the interest of the company.
- (d) The company has regular in repaying principal amount and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Companies and the nature of it's business for the purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across to have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted deposit from public in accordance with the Provision of Section 58A of the Companies Act, 1956.
- (vii) The company has an internal audit system commensurate with the size and nature of business.
- (viii) The Central Government has not prescribed the maintenance of cost records U/S 209(i)(d) of the Companies Act, 1956 of the company.
- (ix) (a) According to the records of the Company, and explanation given to us the company is regular in depositing with appropriate authorities undisputed statutory dues and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us and the records of the Company examined by the management of the company, there are no undisputed amount payable in respect of income tax, sales tax, custom duty and excise duty outstanding for a period for more than 6 months as at 31st March 2008.
- (x) There are no accumulated losses of the company. The company has not incurred any cash loss during financial year under audit and in the immediately preceding previous year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a Bank.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of share, debentures and other securities. Hence this clause is not applicable.

Vedanta Creations Pvt. Ltd.

- (xiii) The Provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities debentures and other investments.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not obtained any term loans during the year.
- (xvii) Based on the information and explanation given to us and on an overall examination of Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) No money has been raised by way of public issue directly by the company during the financial year, hence this clause is not applicable;
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xxii) On the basis of share holding, the company is understood to be a subsidiary company of **Bang Overseas Ltd.** and all the acts and rules as per Company Law for subsidiary company automatically implies on them irrespective of their previous status.

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

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place : Mumbai
Date : 19 August 2008

Vedanta Creations Pvt. Ltd.

Balance Sheet as at March 31, 2008

Particulars	Schedule	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	2,847,500	2,847,500
Reserves & Surplus	2	82,234,374	54,676,902
Loan Funds			
Secured Loan	3	13,427,588	10,254,758
Unsecured Loan	4	35,076,035	12,775,446
Deferred Tax Liability		45,672	15,417
		133,631,169	80,570,023
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	4,175,789	3,018,320
Less: Depreciation		1,804,178	1,257,045
Net Block		2,371,611	1,761,275
Investments	6	-	1,002
Current Assets, Loans and Advances			
Inventories	7	63,324,847	31,338,566
Sundry Debtors	8	85,192,011	85,396,471
Cash and Bank Balances	9	8,512,391	2,208,210
Loans and Advances	10	20,815,472	5,268,314
		177,844,721	124,211,561
Less: Current Liabilities and Provisions			
Current Liabilities	11	41,985,992	34,151,974
Provisions	12	4,599,171	11,251,840
		46,585,163	45,403,814
Net Current Assets		131,259,558	78,807,746
		133,631,169	80,570,023
Notes on Accounts	16		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

Rajendra K. Gupta & Associates

Chartered Accountants

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 19 August 2008

For and on behalf of Board of Directors

Vedanta Creations Pvt. Ltd.

Director

Director

Profit and Loss Account for the year ended March 31, 2008

Particulars	Schedule	Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
INCOME			
Domestic Sales			
Trade Goods		254,997,629	253,057,153
Manufactured Goods		-	265,370
Export Sales			
Trade Goods		-	530,295
Other Income Received	13	259,838	310,815
Increase / (Decrease) in Stock	14	31,986,281	10,640,248
		287,243,748	264,803,882
EXPENDITURE			
Purchases			
Raw Material Cost		-	416
Trade Purchase Cost		229,957,722	192,241,321
Administrative, Selling & General Expenses	15	10,966,064	10,356,099
Bank Charges		693,703	324,086
Depreciation		547,133	379,766
Finance Expenses		2,875,961	2,128,970
Foreign Exchange Loss		15,437	11,600
		245,056,021	205,442,257
Profit Before Extra Ordinary Item and Tax		42,187,727	59,361,625
Insurance Claim Written off earlier Received back		-	1,247,108
Profit Before Tax		42,187,727	60,608,733
Less : Provision for Tax		14,420,000	20,500,000
- Previous year Expenses		-	41,607
- Provisions for Doubtful Debts		100,000	-
- Deferred Tax		30,255	6,628
- Fringe Benefit Tax		80,000	62,000
- Income tax liability of earlier years		-	380,788
Profit after Tax available for Appropriation		27,557,472	39,617,710
Profit Brought Forward		46,634,229	13,931,692
		74,191,701	53,549,402
Less: Transferred to General Reserves		-	6,915,173
Balance transferred to Balance Sheet		74,191,701	46,634,229
Earning per Share - Basic and Diluted		96.78	139.13
Notes on Accounts	16		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

Rajendra K. Gupta & Associates

Chartered Accountants

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 19 August 2008

For and on behalf of Board of Directors
Vedanta Creations Pvt. Ltd.

Director

Director

Vedanta Creations Pvt. Ltd.

Schedules forming part of Financial Statements as at 31 March 2008

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 1 : Share Capital		
Authorised Capital		
10,00,000 Equity Shares of Rs. 10 each (Previous Year 10,00,000 Equity Shares of Rs. 10 each)	10,000,000	10,000,000
Issued, Subscribed & Paid Up Capital		
2,84,750 Equity Shares of Rs. 10 each fully paid (Previous Year 2,84,750 shares @ 10 each) (of the above 2,00,000 shares of Rs. 10 each are allotted as bonus shares in earlier years)	2,847,500	2,847,500
Schedule 2 : Reserves & Surplus		
Securities Premium Account		
Balance as per last account	3,127,500	-
Add: Received during the year	-	3,127,500
	3,127,500	3,127,500
General Reserve		
Balance as per last account	4,915,173	-
Add: Transferred from Profit & Loss A/c	-	6,915,173
Less: Bonus shares issued (200000 shares @ 10 each allotted)	-	2,000,000
	4,915,173	4,915,173
Profit and Loss Account	74,191,701	46,634,229
	82,234,374	54,676,902
Schedule 3 : Secured Loan		
HSBC Bank Ltd. (Secured on Hypothecation of Bills, Stock & Book Debts)	13,427,588	-
A. P. Mahesh Co-op Bank Ltd	-	10,227,374
HDFC Bank Ltd Car Loan	-	27,384
	13,427,588	10,254,758
Schedule 4 : Unsecured Loan		
From Promoters & Promoter Group	35,076,035	12,775,446

Schedule 5 : Fixed Assets

(Figures in Rupees)

Particulars	Gross Block		Depreciation			Net Block				
	As at 1/4/2007	Addition	Deduction	As at 31/03/2008	Up to 1/4/2007	For the Year	Depreciation Adjustment	Up to 31/03/2008	As at 31/03/2008	As at 31/03/2007
Office Equipment	577,525	86,834	-	664,359	198,217	59,000	-	257,217	407,142	379,308
Furniture & Fixture	154,561	-	-	154,561	64,786	16,249	-	81,035	73,526	89,775
Electric Installation	79,217	-	-	79,217	42,753	5,072	-	47,825	31,392	36,464
Computer System	813,202	78,640	-	891,842	531,034	131,211	-	662,245	229,597	282,168
Vehicles	1,393,815	991,995	-	2,385,810	420,255	335,600	-	755,855	1,629,955	973,560
	3,018,320	1,157,469	-	4,175,789	1,257,045	547,133	-	1,804,178	2,371,611	1,761,275
Previous year 06-07	2,405,314	1,234,993	621,987	3,018,320	1,227,539	379,766	350,259	1,257,045	1,761,275	

Vedanta Creations Pvt. Ltd.

Schedules forming part of Financial Statements

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 6 : Investments		
Investment in Non trade Securities - Unquoted		
(20 Equity Shares of The A.P. Mahesh Co-op Urban Bank Ltd. (of Rs.50/- each fully paid up)	-	1,002
	-	1,002
Schedule 7 : Inventories		
(As taken, valued & certified by the management)		
Trade Goods	63,324,847	31,338,566
	63,324,847	31,338,566
Schedule 8 : Sundry Debtors		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	3,553,749	2,567,968
Other Debtors	81,738,262	82,828,503
Less: Provision for Doubtful Debts	(100,000)	-
	85,192,011	85,396,471
Schedule 9 : Cash & Bank Balances		
Cash on hand	133,413	154,773
Balances with scheduled banks : in Current Account	121,808	799,327
: in Fixed Deposit Account	8,200,000	1,254,110
Balances with other banks : in Current Account	57,170	-
	8,512,391	2,208,210
Schedule 10 : Loans & Advances		
(Unsecured and considered good)		
Prepaid Expenses	100,678	113,708
Advances recoverable in cash or in kind or value to be received and considered good	82,396	12,495
Receivable from Parent Company	19,635,188	4,232,726
Tax Deducted At sources (A.Y.2006-07)	822	822
Interest Accrued on Fixed Deposits with HSBC against LC Deposits	87,995	-
	908,393	908,563
	20,815,472	5,268,314
Schedule 11 : Current Liabilities		
Sundry creditors for goods	39,617,571	31,389,520
Liabilities for expenses	2,368,421	2,762,454
	41,985,992	34,151,974
Schedule 12 : Provisions		
Provision for taxation - net of tax (AY 08-09)	4,320,000	-
Provision for taxation - net of tax (AY 07-08)	19,331	10,992,000
Provision for taxation - net of tax (AY 05-06)	259,840	259,840
	4,599,171	11,251,840

Schedules forming part of Financial Statements

Particulars	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
Schedule 13 : Other Income		
Profit /Loss on Sale of Assets	-	50,273
Miscellaneous income	90,598	63,572
Insurance Claim Received on Vehicle	-	14,500
Dividend Received from AP Mahesh	-	170
Interest on F.D. Accrued (TDS: Nil)	169,240	169,251
Sales Commission Received	-	13,050
	259,838	310,815
Schedule 14 : Increase / (Decrease) in Stock		
Opening Stock	31,338,566	20,698,318
Less: Closing Stock	63,324,847	31,338,566
	31,986,281	10,640,248
Schedule 15 : Administrative, Selling & General Expenses		
Brokerage and commission	1,556,076	1,681,578
Labour Charges Paid	-	7,776
Octroi Charges	1,022,875	1,113,138
Packing Material Expenses	685,142	113,465
Rent, Rate & Taxes	1,448,793	1,388,964
Insurance expenses	171,782	218,258
Transport, Loading & Unloading charges	424,367	572,272
Auditor's remuneration		
- Audit Fees	20,000	20,000
- Tax Audit Fees	10,000	5,000
Bad Debts	55,304	8,971
Business & Sales Promotion Expenses	154,741	69,748
Conveyance Expenses	48,120	30,396
Directors Remuneration	120,000	240,000
Electricity Charges	308,466	187,386
Food & Beverages (Office)	97,391	72,493
Legal & Professional expenses	39,586	47,124
Office & General Expenses	115,332	105,212
Postage, Courier & Telegraph expenses	263,015	256,794
Printing and stationary	200,746	88,853
Repairs & Maintenance Charges Others	356,043	196,688
Salary Expenses (Staff Cost)	2,504,569	2,273,423
Staff Welfare & Refreshment Expenses	6,403	8,157
Sundry Expenses	537	8,413
Travelling Expenses	1,194,807	1,525,769
Vehicle expenses	161,971	116,221
	10,966,064	10,356,099

Vedanta Creations Pvt. Ltd.

SCHEDULE 16: NOTES FORMING PART OF FINANCIAL STATEMENTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on accrual basis 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 affects 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 / materialised.

3. Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest

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

(iii) Dividends

Revenue is recognised as and when received.

4. Fixed Assets & Capital work-in Progress

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 written down value method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

6. Inventories

Inventories are valued at lower of cost or net realisable value determined on FIFO basis.

7. Investment

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

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

Since none of the employees have completed the continuous period of five years as stipulated under the payment of Gratuity Act 1972, no provision for gratuity has been made.

Short term employees benefits are recognized as expenses at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered based on a actual liability.

11. 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.

12. 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.

13. 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.

B. NOTES ON ACCOUNTS:

1. Previous year figures has been regrouped, rearranged and restated whenever necessary.
2. 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.)

Particulars	31.03.2008	31.03.2007
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	45,672	15,417

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

4. Contingent Liabilities

(Rs.)

Particulars	31.03.2008	31.03.2007
Letter of Credit	3,22,25,130	Nil

5. Segment Reporting

The company operates in only one reportable segment that is textile and textile products. Therefore no separate disclosure of segment wise information is required.

6. Earning per Share (EPS)

Particulars	31.03.2008	31.03.2007
Net Profit	2,75,57,472	3,96,17,710
Weighted Average no. of shares outstanding at the end of the year	2,84,750	2,84,750
E.P.S. (Basic & Diluted)	96.78	139.13

7. Valuation of Inventories

The Company has changed its method of valuing Trade Goods Inventories from average cost to FIFO. This has the effect of increasing the closing stock Trade Goods value in the books of the Company by Rs.33,65,869/-. The net amount of profit for the year has thus been overstated to that extent.

8. Addition information pursuant to the provisions of Part ii of the Schedule VI of the Companies Act 1956.

- i) Quantitative information.

- a) Installed Capacity NA
- b) Purchase / Production, Consumption / Sales : As per annexure "A" attached.

- ii) Value of imported and indigenous Raw Material consumed during the year.

Description	Current year		Previous year	
Imported	NIL	NIL	NIL	NIL
Indigenous				
Fabrics	NIL	NIL	171 mtrs	Rs. 16271/-
Trims				Rs. 31550/-

- iii) C.I.F Value of imports, Expenditure and Earning in Foreign exchange.

Particulars	Current Year	Previous Year
C I F Value of Imports (Fabric)	Rs. 3,26,26,924	Rs. 6,96,18,707
Foreign Travelling Expenses	Rs. 1,96,945	Rs. 8.89,881
CIF Value of Exports (Fabric)	NIL	Rs. 5,30,295

As per our report of even date
Rajendra K. Gupta & Associates
Chartered Accountants

For and on behalf of Board of Directors
Vedanta Creations Pvt. Ltd.

Rajendra Kumar Gupta
Partner
Membership No.: 9939
Place : Mumbai
Date : 19 August 2008

Director

Director

Vedanta Creations Pvt. Ltd.

ANNEXURE - "A" OF NOTES OF ACCOUNTS

Financial Year : 2007-2008

Additional information pursuant to the provisions of para 3 & 4 of part II of Schedule VI of the Companies Act.

Opening stock, purchases, sales & closing stock of Trade Goods

Particulars	Unit	Opening Stock		Purchase (Net)		Consumption Shortage		Sales (Net)		Closing Stock (FIFO)	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Cotton Fabric	MTR	418,871 (271,084)	31,215,232 (20,393,154)	2,705,561 (2,590,488)	229,957,722 (192,241,321)	-	-	2,408,613 (2,442,530)	258,358,150 (253,587,448)	715,818 (418,871)	63,201,513 (31,215,232)
Readymade Shirts	PCS	400	123,334 (126,370)	-	-	-	-	-	-	400	123,334 (123,334)
Total			31,338,566 (20,519,524)		229,957,722 (192,241,321)				258,358,150 (253,587,448)		63,324,847 (31,338,566)
Previous year (2006-2007)											

Cash Flow Statement for the year ended March 31, 2008

Particulars	2007-2008 Rupees	2006-2007 Rupees
A. Cash flow from Operating Activities		
Net profit before taxation, and extraordinary items	42,187,727	59,361,625
Adjustments for:		
Depreciation	547,133	379,766
Profit on Sale of Fixed Assests	-	(50,273)
Profit on sale of investments	(2)	-
Write off/other adjustments	4,922	-
Foreign exchange loss (net)	15,437	11,600
Interest income	(169,240)	(169,251)
Dividend income	-	(170)
Interest expense	2,875,961	2,128,970
Bad debts written off	55,304	8,971
Operating profit before Working Capital changes	45,517,242	61,671,238
Movements in working capital :		
Decrease / (Increase) in sundry debtors (after Bad Debts)	(149,156)	(42,593,826)
Decrease / (Increase) in inventories	(31,986,281)	(10,640,248)
Decrease / (Increase) loans and advances	(15,547,158)	450,118
Increase / (Decrease) in current liabilities	7,987,231	(12,482,592)
Cash generated from operations	5,821,878	(3,595,310)
Direct taxes paid (net of refunds)	(21,152,669)	(10,459,425)
Cash flow before extraordinary items	(15,330,791)	(14,054,735)
Prior Period Expenses	-	(41,607)
Extraordinary item	-	1,247,108
Net cash from Operating Activities	(15,330,791)	(12,849,234)
B. Cash flows from Investing Activities		
Purchase of fixed assets (less cash discount of Rs. 24,743)	(1,132,726)	(1,234,993)
Proceeds from sale of fixed assets	-	322,000
Sale / maturity of investments	1,000	-
Interest received	169,240	169,251
Dividends received	-	170
Net cash from Investing Activities	(962,486)	(743,572)
C. Cash flows from Financing Activities		
Proceeds from issuance of share capital	-	3,475,000
Unsecured Loans	22,300,589	7,609,589
Proceeds from Working Capital Borrowings	3,172,830	6,516,020
Interest paid	(2,875,961)	(2,128,970)
Net cash from Financing Activities	22,597,458	15,471,639
Net increase in cash and cash equivalents (A+B+C)	6,304,181	1,878,833
Cash and cash equivalents at the beginning of the year	2,208,210	329,378
Cash and cash equivalents at the end of the year	8,512,391	2,208,210

As per our report of even date
Rajendra K. Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
Partner
Membership No.: 9939

Place : Mumbai
Date : 19 August 2008

For and on behalf of Board of Directors
Vedanta Creations Pvt. Ltd.

Director

Director

Vedanta Creations Pvt. Ltd.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS			
Registration No.:	U 18101 MH 2001 PTC 133052	State Code	11
Balance Sheet Date :	31 st March 2008		
2 CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSAND)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSAND)			
Total Liabilities	133631	Total Assets	133631
Sources of Funds			
Paid up Capital	2848	Reserves & Surplus	82234
Secured Loans	13427	Unsecured Loans	35076
Deferred Tax	46		
Application of Funds			
Net Fixed Assets	2371	Investments	0
Net Current Assets	131260	Accumulated Losses	NIL
4 PERFORMANCE OF THE COMPANY (AMOUNT RS. IN THOUSAND)			
Sales & Other Income	287244	Total Expenditure	245056
Profit/(Loss) Before Tax	42188	Profit/(Loss) After Tax	27557
Earning Per Share in	Rs. 96.78	Dividend	NIL
5 GENERAL NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)			
Item Code No. (ITC Code)	5208		
Product Description	Fabrics		

As per our report of even date
Rajendra K. Gupta & Associates
 Chartered Accountants

Rajendra Kumar Gupta
 Partner
 Membership No.: 9939

Place : Mumbai
 Date : 19 August 2008

For and on behalf of Board of Directors
Vedanta Creations Pvt. Ltd.

Director Director



Regd. Office : Masjid Manor, IInd Floor, 16 Homi Modi Street, Fort, Mumbai-400 023.

PROXY FORM

I/We.....
of..... being member/members
of Bang Overseas Limited hereby appoint
.....of
or failing him.....of
as my / our proxy to vote for me / us and on my / our behalf at the **Sixteenth Annual General Meeting** of the company will
be held on, Monday, 29th September 2008 at 11:00 A.M. at Maheshwari Bhavan, 603, Jagannath Shankar Seth Road,
Mumbai - 400 002 and at every adjournment thereof.

Signed thisday of..... 2008

Member's Folio Number

Client ID and DP ID

No. of shares held

AFFIX
1 RUPEE
REVENUE
STAMP

SIGNATURE



Regd. Office : Masjid Manor, IInd Floor, 16 Homi Modi Street, Fort, Mumbai-400 023.

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the **Sixteenth Annual General Meeting** of the company will be held on, Monday,
29th September 2008 at 11:00 A.M. at Maheshwari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai - 400 002 and at
every adjournment thereof.

Name of the Member Attending (In Block Letters)

Name of the Proxy (To be filled-in if the Proxy form has been duly deposited with the Company)

Signature of the Member / Proxy

Member's Folio Number

Client ID and DP ID

No. of shares held

Registered Office : Masjid Manor, IInd
Floor, 16 Homi Modi Street, Fort,
Mumbai - 400 023, India.

Corporate Office : 144, Kewal
Industrial Estate, 1st Floor, Senapati
Bapat Marg, Lower Parel (West),
Mumbai - 400 013, India

Manufacturing Unit 1 : 51/1 and 1/1
Kallabalu Village, Jigani Hobli, Anekal
Taluka, Bangalore.

Manufacturing Unit 2 : 19/2,
Basapura Village, Begur Hobli,
Bangalore South Taluka, Bangalore -
560 068.