

 **BANG OVERSEAS Ltd.**

ANNUAL REPORT

2010 - 2011



**THOMAS
SCOTT**



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CORPORATE INFORMATION

BOARD OF DIRECTORS		
Mr. Venugopal Bang	Chairman	
Mr. Brijgopal Bang	Managing Director	
Mr. Viswanath Cheruvu	Independent Director	
Dr. Mithilesh Kumar Sinha	Independent Director	
Mr. Vijay Ajgaonkar	Independent Director	
COMPANY SECRETARY & COMPLIANCE OFFICER		
Ms. Jalpa Harshad Salvi		
STATUTORY AUDITORS M/s. Rajendra K. Gupta & Associates Room No. 3, Kshipra Society, Akurli Cross Road No. 1, Kandivali (East), Mumbai 400 101. Tel.: (022) 28874879 E-mail: rk.gupta@hawcoindia.com	PRACTISING COMPANY SECRETARIES M/s. Kothari H. & Associates 208, 2nd Floor, BSE Building, Dalal Street, Fort, Mumbai 400 001. Tel.: (022) 6637 7764 E mail: hiteshkotharics@yahoo.co.in	
INTERNAL AUDITORS FRG & Company, Chartered Accountants, Office no. 303, Ratan Galaxie, J. N. Road, Mulund (W), Mumbai 400080 E-mail: rajeshtiwari@frgglobal.com	BANKERS Bank of India Hongkong and Shanghai Banking Corporation Limited	
REGISTERED OFFICE Masjid Manor, II Floor, 16, Homi Modi Street, Fort, Mumbai 400 023. Tel.: (022) 22043496 Fax: (022) 2281 0379	CORPORATE OFFICE 405, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013. Tel.: (022) 66607965 Fax: (022) 66607970	
REGISTRAR & TRANSFER AGENT Karvy Computershare Private Limited Plot No. 17-24 Vitthal Rao Nagar, Madhapur, Hyderabad 500 081 Tel.: (91 40) 23431553 Email: Varghese@karvy.com		
Unit No. 1 NCC Plot No. 4, Apparel Park Auto Nagar, Vadlapudi, Visakhapatnam 530 046, India.	MANUFACTURING UNITS Unit No. 2 - FCC 19/2, 9th Main, Basavapura Village, Begur Hobli, Electronic City Post, Bangalore 560 100, India.	Unit No. 3 - RCC 204/2, Parvathi Plaza, Richmond Road, Bengaluru, Karnataka 560 025 India.
WAREHOUSES		
Rajlaxmi Commercial Complex, Gala No. O -10/11/12, Mane Farm House, Opp. Durgesh Park, Kalher Village, Bhiwandi 421 302.	Rajlaxmi Commercial Complex, Gala No.: BD-102/103/107 Opp. Durgesh Park, Kalher Village, Bhiwandi 421 302.	
WEBSITE: www.banggroup.com		

BOARD OF DIRECTORS

MR. BRIJGOPAL BANG MANAGING DIRECTOR

Mr. Brijgopal Bang is Commerce Graduate and also completed Master of Management Studies (MMS) from Bombay University in the year 1992. He is the promoter and Managing Director of the Company. He has been actively involved in the business of the Company since incorporation and has played a key role in the growth of the Company with his inputs in strategic planning and business development. With his over 20 years of experience in textile & garment business, he introduced "Thomas Scott" brand and took initiatives to venture into retailing of our Company's apparel.

MR. VENUGOPAL BANG EXECUTIVE CHAIRMAN

Mr. Venugopal Bang is a 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. In 1992, He along with Mr. Brijgopal Bang and others laid down the foundation of Bang Overseas Ltd and with his constant dedication have brought the Company to this echelon.

MR. VISWANATH CHERUVU NON-EXECUTIVE & INDEPENDENT DIRECTOR

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

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

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

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

Mr. V.D. Ajgaonkar is CAIIB, M.Com and LL.B. He served State Bank of India from 1979 to 1995 in different capacities and from 1996 to 2000; he was on deputation to SBI Capital Markets Limited. After serving SBI Capital Markets Limited, in February, 2000 he joined Times Guarantee Financial Limited and served their till March, 2004. He has experience in project finance, and other related capital market activities.

DIRECTORS' REPORT

The Members of
BANG OVERSEAS LTD.

Your Director's present with immense pleasure, the **NINETEENTH ANNUAL REPORT** along with the Audited Statement of Accounts of the Company for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Description	Stand Alone		Consolidated	
	Year Ended 31.03.11	Year Ended 31.03.10	Year Ended 31.03.11	Year Ended 31.03.10
Sales	14,267.71	12,893.31	17,243.40	16,230.70
Other Income	602.39	623.28	633.90	801.57
Total Expenditure	14,708.60	13,454.00	17,871.83	16,678.43
Earnings before Interest, Depreciation and Tax (EBIDT)	1,039.82	888.72	1,164.74	1,153.55
Less: Interest	392.24	392.76	416.89	422.08
Earning Before Depreciation And Tax (EBDT)	647.58	495.96	747.85	731.47
Less: Depreciation	154.52	150.10	159.57	170.78
Profit before Tax (PBT)	493.06	345.86	1,138.29	560.69
Less: Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	293.70	113.48	303.74	213.88
Profit after Tax (PAT)	786.76	232.38	834.55	346.81

PERFORMANCE REVIEW

Stand Alone

Your Company has achieved a turnover of Rs. 14267.71 lakhs for the year ended 31st March, 2011 gaining an increase of 10.65% over the previous year. Also, with the improved performance of the Company and comparatively higher, the EBIDT of the Company has gained a hike of 17%. Increase operations and business of the Company has also lead to an increase in the Total Expenditure of over 9% as compared to the previous year.

Profit after Tax has gained a tremendous hike from 232.378 lakhs in the previous year to Rs. 786.76 Lakhs in this year leading and recording an increase of over 238% increase.

Consolidated

The Consolidated Turnover of the Company has increased from Rs. 16230.70lakhs in the previous year to Rs. 17243.40 Lakhs this year leading to a 6.23% increase showing a steady and good performance by its Subsidiaries which has also lead to an increase in its Total Expenditure by 7.15% as compared to the previous year. Consolidated EBIDT of the Company has also slowly and steadily gained an increase from Rs. 1153.55 Lakhs to Rs. 1164.74 Lakhs (0.97% increase)

The Consolidated Profit after Tax of the Company has also resulted into an increase of 140.64% increase from Rs. 346.81 Lakhs to Rs. 834.55 Lakhs.

With the improved and steady performance of the Company, your Directors are hopeful of achieving even better results in the coming years.

UTILIZATION OF IPO FUNDS

Brief particulars of Public Issue fund utilization as per revised approved objects of the Issue up to 31st March, 2011 is as follows:

Particulars	Amount (Rs. In lac) Revised deployment of funds*	Amount (Rs. in Lac) Utilized
General Corporate Purpose	1,016.80	1,016.75
Setting up of Retail Stores & Brand Building	1063.00	1063.00
Setting up of Apparel Manufacturing Unit at Kolar District, Karnataka	0.25	0.25
Setting up Apparel Manufacturing unit in the state of Karnataka and Andhra Pradesh	1420.00	191.24
Setting up of Apparel Manufacturing unit at Visakhapatanam, Andhra Pradesh	1500.00	191.82
Entering into Joint Venture / Acquisition of existing set up in India or elsewhere, which are engaged in the similar business	750.00	124.31
Warehousing and logistic facilities	400.00	Nil
Setting up of Design, Display and Sampling unit	579.75	233.16
Share Issue Expenses	515.20	515.20
Total Fund Utilized	7245.00	3335.73
Balance fund kept in Fixed Deposit and units of Mutual Fund	Rs. 3909.27 Lakhs	

The unutilized monies of Rs. 3909.27 Lakhs have been parked in fixed deposits with scheduled banks and units of mutual funds.

***The Company has amended the Objects of utilization of IPO Proceeds at its Annual General Meeting of its members held on 30th September 2009 by way of a Special Resolution. The Company has also proposed to modify the objects of the issue, reallocate the Unutilized issue Proceeds and have proposed a resolution to be passed by the members of the Company for reasons as detailed in the Notice calling the Annual General Meeting.**

DIVIDEND AND TRANSFER TO RESERVES

Your Company is undertaking some expansion plans and in order to meet the financial requirements for these plans, your Director's propose to plough back the profits and do not recommend any dividend for the year 2011-12. No amount is proposed to be transferred to Reserves.

The Register of Members and Share Transfer Books will remain closed from 28th September, 2011 to 30th September, 2011, both days inclusive. The Annual General Meeting of the Company will be held on 30th September, 2011.

BUSINESS & OPERATIONS:

DOMESTIC:

SPECIAL ECONOMIC ZONE

The Civil Construction for setting up of a unit of manufacturing of garments at the Visakhapatnam Special Economic Zone (VSEZ) has been completed and the finishing work with respect to the same is in process. The projected capacity of the unit is 180000 garment pcs per annum. The commencement of the operations at the Manufacturing unit is scheduled to be initiated by the Month of September, 2011.

Your Company has also signed a Memorandum of Understanding and is also done with the fabricated construction at Visakhapatnam (APIDC) on a 1 (one) acre plot of APIDC for Manufacturing and Logistics Activities.

DEMERGER

During the financial year, your Company has incorporated a wholly owned subsidiary called as Thomas Scott (India) Limited on October 22, 2010 in order to receive the retail Division of your Company. The Hon'ble High Court of Judicature of Bombay has approved the Scheme of Demerger of the Retail Division of Bang Overseas Ltd. ("The Demerged Company") into M/s. Thomas Scott (India) Limited ("the Resulting Company") vide its Order dated July 22, 2011 and the same has been filed with the Registrar of Companies, Maharashtra on August 05, 2011.

Pursuant to which, Allotment of 33, 90,000 Equity Shares of Rs. 10/- each fully paid up of the Resulting Company has been considered and approved by the Board of Directors of the Resulting Company on August 29, 2011 as per the Share Exchange Ratio as mentioned in the Scheme (1 Equity Shares of the Resulting Company of Rs. 10/- against every 4 Equity Shares of Rs. 10/- each fully paid up of the Demerged Company). The Company is in process of completing further formalities with respect to the same.

DISINVESTMENT IN THE AQUARELLE JOINT VENTURE

Your Company had disinvested 10,00,000 Equity Shares of Rs. 10/- each consisting of 50% (fifty percent) shareholding in Aquarelle India Private Limited, a 50:50 Joint Venture of the Company, by way of transfer/sale of its holding to Aquarelle International Limited.

ACQUISITION:

Your Company is in the process of acquiring a Part IX Company called "A. S. Raiment Private Limited" which is into Shirt Manufacturing Textile Business at Visakhapatnam, Andhra Pradesh and have completed all the necessary Documentation Work/Formalities with respect to the same. The entire process is planned to be successfully completed by the end of October, 2011.

GARMENT MANUFACTURING UNIT

Your Company has initiated a Garment Manufacturing Unit called as "Bang & Scott (a Div. of Bang Overseas Limited)" admeasuring more than 1 (one) acre property (50,000 sq. feet build up area approx) in the heart of Whitefield at Bangalore as a means to increase its Manufacturing capacity. Moreover, this has a ready building admeasuring more than 55000 square feet.

Also, Your Company has also signed a Memorandum of understanding to purchase the premises at Doddaballapur, Karnataka, a renowned place for Garment Industries for setting up an Apparel Manufacturing & Logistics Unit.

OVERSEAS INVESTMENTS/ACQUISITIONS:

Your Company has incorporated 2 (Two) Wholly Owned Subsidiaries namely Bang Europa S. R. O. at Slovakia and Bang HK Limited at Hong Kong in order to expand its business activities and establish a place in International Market by way of formation and acquisition of business set up abroad.

Your Company has entered into a Joint Venture with a Leading Fashion Group at Macedonia through its Wholly Owned Subsidiary so as to enable the expansion of its business overseas even on a larger scale.

Bang Europa, s.r.o., your Company's wholly owned subsidiary, situated at Slovakia has incorporated its wholly owned subsidiary and has invested in the aforesaid Company named as 'Bang & Scott' at Macedonia for the manufacturing and import-export business of garments. Also, Bang Europa, s.r.o. has taken up the Management & Business of a Macedonian Company which is into the business of Garments and in future, plans to acquire the Land & Building of the aforesaid Company.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

SUBSIDIARY COMPANIES:

As on March 31, 2011, the Company has following subsidiaries:

1. Thomas Scott (India) Limited
2. Vedanta Creations Limited
3. Bang Europa S.R.O
4. Bang HK Limited

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

DIRECTOR'S

In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the

Company, Mr. Viswanath Cheruvu and Mr. M. K. Sinha retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. Brief resumes of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Memberships /Chairmanships of Board Committees, as stipulated in Clause 49 of the Listing agreement with the Stock Exchanges are provided as an attachment of the notice calling the Annual General Meeting.

STATUTORY AUDITORS

M/s. Rajendra K. Gupta & Associates, Chartered Accountants, the retiring Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a confirmation from the Auditors to the effect that their re-appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

M/s. Rajendra K. Gupta & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and according to a certificate received from them under Section 224(1B) of the Companies Act, 1956 are eligible for re-appointment. Your Directors recommend their re-appointment as the Statutory Auditors of the Company.

AUDITOR'S REPORT

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

PARTICULARS OF EMPLOYEES

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

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

FIXED DEPOSITS

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 of India Limited and Bombay Stock Exchange Limited and the Company has paid the Listing fees to the above Exchanges for the year 2011-12.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Director's make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i. that in the preparation of Annual Accounts for the financial year 2010-11, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the Directors have 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 have 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 have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company is a follower of the Corporate Governance Practices.

A Report on the Corporate Governance, Practicing Company Secretary'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 this Annual Report for the information of the Shareholder's. The Company has also obtained the requisite certificate from the Managing Director of the Company. The Managing Director's declaration regarding Compliance with Company's Code of Conduct for Directors and Senior Management Personnel forms a part of the Report on Corporate Governance.

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

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to gratefully acknowledge the support and co-operation received from all its Bankers, Stakeholders, Investors and other Business Associates for their continued patronage and confidence reposed in the Company.

The Directors place on record their appreciation and a token of thanks to the sincere hard work and dedication put in by every employee at all levels and in all its Departments of the Company leading to impressive results of your Company.

The Board is confident that with the Employees' continued enthusiasm, initiatives and dedicated efforts, your company would be successful in achieving higher and higher level of success by breaking its own record in such a competitive market.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VENUGOPAL BANG
CHAIRMAN

PLACE: Mumbai
DATE: August 31, 2011

Annexure I to the Directors' Report

Statement Pursuant to Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

(A) CONSERVATION OF ENERGY

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

Disclosure of Particulars with respect to Conservation of Energy

“FORM A”

A. Power and fuel consumption

	Current year	Previous year
1. Electricity		
(a) Purchased		
Unit	360352.00	89256.00
Total Amount	2468542.00	455366.00
Rate/unit	6.85	5.10
(b) Own generation		
i) Through Diesel generator unit		
Unit	38399.15	13324.59
Units per ltr. Of Diesel Oil	3.00	3.00
Cost/ unit	13.89	12.81
ii) Through Steam turbine/ generator		
Units	Nil	Nil
Units per ltr. of fuel oil/ gas	Nil	Nil
Cost/ units	Nil	Nil
2. Coal		
Quantity (tonnes)	69.20	Nil
Total Cost	2990.96	Nil
Average Cost	4.32	Nil
3. Furnace Oil		
Quantity	Nil	Nil
Total Amount	Nil	Nil
Average rate	Nil	Nil
4. Others / internal generation		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/ unit	Nil	Nil

B. Consumption per unit of production

	Standards(if any)	Current year	Previous year
		1	2
Electricity (generated)	-	0.59 KWH Per piece	0.06 KWH Per piece
Furnace oil	-	Nil	Nil
Coal (specify quantity)	-	0.00019 ton per piece	0.07 ton per piece
Others (specify)	-	Nil	Nil

(B) (i) TECHNOLOGY ABSORPTION & ADOPTION

The Company is taking required measures and making continuous efforts towards technology upgradation and adopting more advanced methods and tools for the production of products manufactured by the Company so as to provide its customers the best of best quality products along with saving time.

The Company has always used and is even in a constant process of using the latest and advanced techniques and machines in its day to day operations.

(ii) RESEARCH & DEVELOPMENT AND INNOVATION

In terms of Research and Development and innovation, it is the Company's constant endeavor to be more efficient and effective planning of construction activities for achieving and maintaining the highest standard of quality.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is into Exports of Garments and promotes Export activities on a continued basis. It also plans to increase its exports and establish a place of business overseas.

		(Rs. In Lakhs)	
		2010-11	2009-10
i) Foreign Exchange Earned		1790.46	1765.88
ii) Foreign Exchange Used		5871.15	4615.40

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance, for the financial year April 1, 2010 to March 31, 2011 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out as below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The mission statement of your Company is that Good Corporate Governance encourages accountability and transparency, and promotes good decision-making to support the business over decades and to create value for shareholders now and in future. At Bang Overseas Limited (BOL), Corporate Governance works as a mechanism that tries to reduce or eliminate the principal-agent problem and we believe that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities.

Our Corporate Structure, Business and Disclosure Practices have been aligned to our Corporate Governance Philosophy. Transparency, Accountability, Fairness and Intensive Communication with stakeholders are integral to our functioning. We have tried to blend Growth and Efficiency with Governance and Ethics.

2. BOARD OF DIRECTORS

a) *Composition*

The Board of BOL has an optimum combination of Executive, Non-Executive and Independent Directors. The Chairman being an Executive Director, as per Listing Agreement, half of the Board should comprise of Independent Directors. Therefore, the Company should have minimum 3 (Three) Independent Directors. As on 31st March 2011, the Board comprised of five (5) Directors, out of which 2 (Two) were Executive and 3 (Three) were Independent Directors. There is No Institutional Nominee on the Board. Details and Brief Particulars of the Directors retiring by rotation are provided along with the Notice calling the Annual General Meeting and therefore forms a part of this Annual Report.

<i>Category</i>	<i>Name of Director</i>
Promoter / Chairman & Director-Executive	Mr. Venugopal Bang
Promoter / Managing Director	Mr. Brijgopal Bang
Non Executive and Independent Director	Mr. Viswanath Cheruvu
Non Executive and Independent Director	Dr. Mithilesh Kumar Sinha
Non Executive and Independent Director	Mr. Vijay Ajgaonkar

Pursuant to the provisions of the Companies Act 1956, Dr. M.K. Sinha and Mr. Viswanath Cheruvu, retire by rotation and being eligible, offer themselves for re-appointment.

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

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

b) *Board Procedure*

The Directors of the Company are informed about the Agenda of the Board Meetings and Committee Meetings, containing relevant information/ supporting data, as required well in advance, to enable the Board to take informed decisions and be well prepared. Statutory Auditors are also requested to attend the Board or Committee Meeting as and when required. When deemed expedient, the Board also approves by circular resolution important items of business which are permitted under the Companies Act, 1956, and which cannot be postponed till the next Board Meeting.

Matters discussed at the Board Meeting generally relate to the Company's performance, quarterly results of the Company, utilization of IPO Proceeds, approval of related-party transactions, General Notice of Interest of Directors, Review of the Reports of the Internal Auditors, Compliance with their Recommendations, Suggestions, Compliance of any Regulatory, Statutory or Listing requirements, etc.

c) *Number of Board Meetings:*

During the year, Seven Board Meetings were held. These were on 15th May, 2010, 13th August, 2010, 01st September, 2010, 13th September, 2010, 12th November, 2010, 23rd December, 2010 and 14th February, 2011.

d) Director's Attendance Record and Directorships:

Name of Director	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	No. of directorships of public limited companies	No. of Shares held in the Company
Mr. Brijgopal Bang (Managing Director)	Promoter Director	7	7	Yes	2	15,21,000
Mr. Venugopal Bang (Chairman)	Promoter Director	7	6	Yes	2	27,06,600
Mr. Viswanath Cheruvu (Independent Director)	Non Executive & Independent Director	7	4	Yes	1	Nil
Dr. M K Sinha (Independent Director)	Non Executive & Independent Director	7	3	No	4	Nil
Mr. V D Ajgaonkar (Independent Director)	Non Executive & Independent Director	7	6	Yes	3	115

e) Information Supplied to the Board

Amongst others, information supplied to the Board includes:

- Quarterly Results of the Company and its Operating Divisions,
- Minutes of Meetings of Audit Committee and other Committees of the Company,
- Minutes of the Previous Board Meetings of its Subsidiary Companies,
- Details with respect to the Operations of the Subsidiary Companies,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially relevant default in financial obligations to and by the company,
- Non-payment for goods sold by the company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business,
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory or listing requirements,
- Details of the Investments made in the Subsidiaries abroad,
- Related Party Transactions and Register u/s 301 of the Companies Act, 1956,
- Investor Grievances and Redressal Status,
- Compliance of the SEBI (SAST) Regulations from time to time,
- Risk Assessment & Minimization Procedures,
- Internal Audit Certificate,
- Abstracts of Circular Resolutions passed,
- Performance of the Company and Business Plans /Strategies

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

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

There have been no materially pecuniary transactions or relationship between the Company and its Non-Executive and/or Independent Directors during the year 2010-11.

g) Post Meeting Governance

The Company follows a Post-Meeting Governance System wherein effective post-meeting follow-up, review and reporting process on the actions taken, discussions on the tasks to be undertaken as per the meeting, Status on

the pending tasks as decided and discussed in the Meeting, Application of the Recommendations/Suggestions as extended at the Board Meeting and working on the rectification of mistakes, if any, pointed out at the Meeting is undertaken.

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

2. CODE OF CONDUCT

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

3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to overview and maintain a financial oversight and an eye on the Financial Processes/Controls/Reporting Systems of the Company in order to ensure accurate, timely, relevant disclosures along with proper transparency, clarity, integrity and quality of Financial Reporting. The Audit Committee acts a Link between the Statutory and the Internal Auditors of the Company.

a) Composition

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

Sr. no.	Name of the Director	Designation
1	Mr. Viswanath Cheruvu, Non-Executive Independent Director	Chairman
2	Dr. Mithilesh Kumar Sinha, Non-Executive Independent Director	Member
3	Mr. Vijay Ajgaonkar, Non-Executive Independent Director	Member

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

The Company Secretary acts as a Secretary to the Committee.

b) Terms of Reference

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of Listing Agreement as well as in Section 292A of the Companies Act, 1956.

c) Meetings and Attendance during the year 2010-11

Audit Committee met 4 (Four) Times during the year 2010-2011 on 15th May, 2010, 01st September, 2010, 12th November, 2010 and 14th February, 2011 and the Attendance record is as per the table given below:

Name of the Director	Number of meetings	Meeting attended
Mr. Viswanath Cheruvu	4	3
Dr. Mithilesh Kumar Sinha	4	1
Mr. Vijay Ajgaonkar	4	4

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

d) Internal Auditors

The Company appointed FRG & Company, Chartered Accountants as the Internal Auditor for the financial year 2010-11 to review the Internal Control Systems of the Company and to report thereon. The Report of the Internal Auditor is reviewed by the Audit Committee.

4. SHARE TRANSFER CUM SHAREHOLDERS'/INVESTOR'S GRIEVANCE COMMITTEE

The Share Transfer cum Shareholders'/Investor's Grievance Committee specifically looks into the transfer of shares and related matters, redressing the complaints of Shareholders and Investors such as Transfer of Shares, non- receipt

of Balance Sheet, non-receipt of Annual Report, non-receipt of Declared Dividends and Dematerialization of Shares and other related matters.

a) Composition

The Committee comprises of the following members:

Sr. no.	Name of the Director	Designation
1	Mr. Vijay Ajgaonkar, Non-Executive Independent Director	Chairman
2	Mr. Brijgopal Bang, Managing Director	Member
3	Mr. Venugopal Bang, Chairman and Executive Director	Member

b) Terms of Reference

The Share Transfer cum Shareholders'/Investor's Grievance Committee particularly ensures the efficient Transfer / Transmission of Shares and Debentures, Redressal of Shareholder and Investor Complaints, Issue of Duplicate / Split / Consolidated Share Certificates and such other matters as entrusted to it at the Board Meeting of the Company dated 4th May 2009.

c) Meetings of the Committee for 2010-2011

Share Transfer cum Shareholders'/Investor's Grievance Committee met 5 (Five) Times during the year 2010-11 on 15th May, 2010, 13th August, 2010, 20th September, 2010, 12th November, 2010 and 14th February, 2011 and the Attendance record is as per the table given below:

Name of the Director	Number of meetings	Meeting attended
Mr. V. D. Ajgaonkar	5	5
Mr. Brijgopal Bang	5	5
Mr. Venugopal Bang	5	4

d) Complaints

Details of Investor Complaints received during the financial year ended 31st March 2011 are as follows:

Nature of Complaint Received	Beginning of year	Received During The year	Resolved During the year	Pending at the end of year
Application lodged for IPO	0	0	0	0
Non-receipt of Electronic credit	0	1	1	0
Non-receipt of Refund Order	0	0	0	0
TOTAL	0	1	1	0

5. REMUNERATION COMMITTEE

a) Composition:

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

Sr. no.	Name of the Director	Designation
1	Dr. Mithilesh Kumar Sinha, Non-Executive Independent Director	Chairman
2	Mr. Vijay 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 determine and agree with the Board the framework or the broad policy for the remuneration for the Senior Management Personnel including the Managing Director & the Whole Time Director. It also measures the suitability of the performance measurement criteria for the Senior Management Personnel and also reviews the notice periods for Executive Directors employment

contracts, administer employee benefit and incentive plans and administer stock option and other equity-based plans, etc.

c) Meeting

There were no Meetings of the Remuneration Committee held during the year 2010-11.

d) Remuneration

During the financial year 2010-11, Remuneration paid to the Directors is as follows:

(Amount in Rs)

Name of Director	Sitting Fees	Salaries and perquisites	Commission	Total
Mr. Venugopal Bang	Nil	Nil	Nil	Nil
Mr. Brijgopal Bang	Nil	24,00,000	Nil	24,00,000
Mr. Viswanath Cheruvu	20,000	Nil	Nil	20,000
Mr. Mithilesh Kumar Sinha	30,000	Nil	Nil	30,000
Mr. Vijay Ajgaonkar	30,000	Nil	Nil	30,000

e) Remuneration Policy

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

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

6. GENERAL BODY MEETINGS

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

Financial year	Date	Time	Venue
2007-08	29/9/2008	11.00 A.M.	Maheshwari Bhavan, 603, Jagannath Shankar Sheth Road, Mumbai- 400 002
2008-09	30/9/2009	10.00 A.M.	Maheshwari Bhavan, 603, Jagannath Shankar Sheth Road, Mumbai- 400 002
2009-10	30/9/2010	10.00 A.M.	Maheshwari Bhavan, 603, Jagannath Shankar Sheth Road, Mumbai- 400 002

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

Special Resolutions

AGM held on September 29, 2008: No Special Resolution was passed.

AGM held on September 30, 2009: At this Meeting, 2 (Two) Special Resolutions were proposed, seconded and passed with more than three-fourths majority on show of hands. First special resolution was with regard to maintaining the Register and Index of Members of the Company with M/s. Karvy Computershare Private Limited, Registrar and Transfer Agents at their office situated at 7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 05 and the second resolution was pertaining reallocation of Balance unutilized proceeds of IPO of the Company allocated for Setting up of Apparel Manufacturing unit at Visakhapatnam, Andhra Pradesh, Karnataka and at any other suitable place in Andhra Pradesh, setting up of design, display and sampling unit and entering into Joint Venture / Acquisition of existing set up in India or elsewhere, which are engaged in the similar business

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

Resolution/s passed through Postal Ballot

(c) **Postal Ballot**

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

7. DISCLOSURES

(i) **Disclosure regarding materially significant related party transaction: -**

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Details on material significant related-party transactions are given in the appended financial statement under Notes to the Accounts annexed to the Financial Statements.

(ii) **Details of Non-Compliance**

No Penalties or Strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Market.

(iii) **Whistle-Blower policy**

The Company has not yet framed any Whistle Blower Policy but All the Employees of the Company have been granted access to the Audit Committee.

(iv) **Disclosure of Accounting Treatment in the preparation of the financial statements**

The Company has followed Accounting Standards issued by the Institute of the Chartered Accountants of India, to the extent applicable.

(v) **Disclosure by Management to the Board**

All Disclosures 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.

(i) **Disclosure of Risk Management**

Though Identification and Evaluation of Business Risks is a continuous process but early risk identification and appropriate counter-measures have enabled the Company to reconcile creativity with industry. A Comprehensive Risk Warning System incorporates all the key aspects of Risk Management which enables the Company to identify and manage strategic and operational risks at the Individual, Management and Board levels. The detailed Risk Assessment and Minimization Process undertaken by the Company has been given in other section of this Report.

(vii) **Bang Insider Trading Policy**

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

The Company is strictly monitoring its Insider Trading Policy.

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

8. MEANS OF COMMUNICATION

- **Quarterly results:** Quarterly Results are published in accordance with the provisions of the Listing Agreement. The Results are published in English newspaper viz. The Financial Express and in Marathi newspaper viz. Apla Mahanagar, Mumbai edition.
- **Website:** BOL has its own web-site and all vital information relating to the Company and its Performance, including Quarterly Results, Shareholding Patterns, Annual Reports, Code of Conduct and Official News Releases is put on the web-site for the benefit of the public at large.

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

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

9. ADDITIONAL SHAREHOLDER INFORMATION

a) *Annual General Meeting*

Date : **Friday, 30th September, 2011 at 09:45 A.M.**

Venue : Maheshwari Bhavan, 603, Jagannath Shanker Seth Road
Mumbai 400 002.

b) *Financial Calendar (2011-12)*

First Quarterly Results - Up to 14th August, 2011
 Second Quarterly Results - Up to 14th November, 2011
 Third Quarterly Results - Up to 14th February, 2012
 Fourth Quarterly Results - Up to 14th May, 2012

c) *Book Closure*

The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 28th September, 2011 to Friday, 30th September, 2011 (both days inclusive).

d) *Dividend payment date*

Not applicable

e) *Listing*

At present the Company's Equity Shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the Company has paid the Listing fees to the above Exchanges for the year 2011-2012.

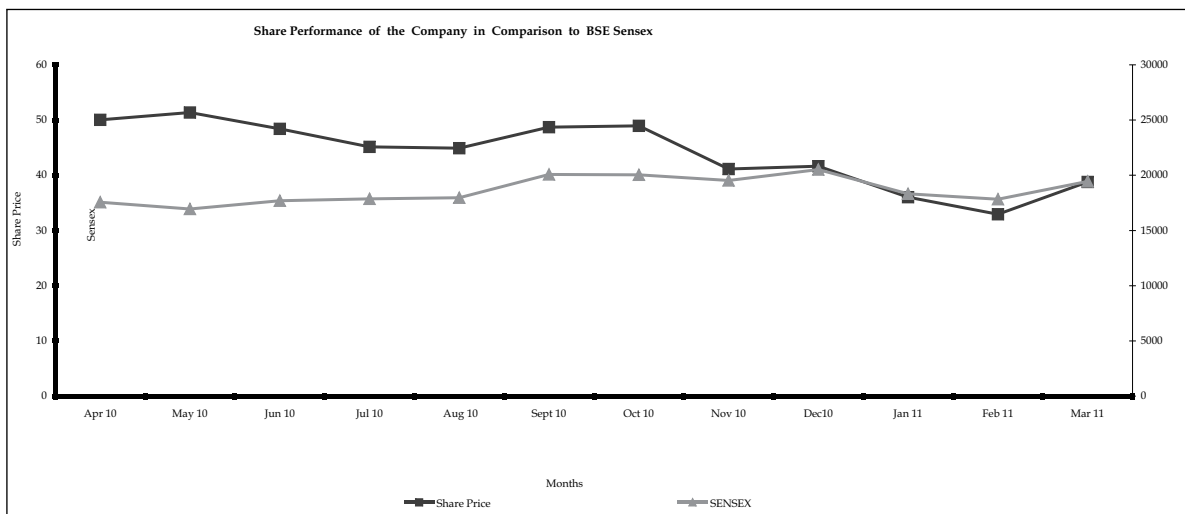
Stock Codes

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

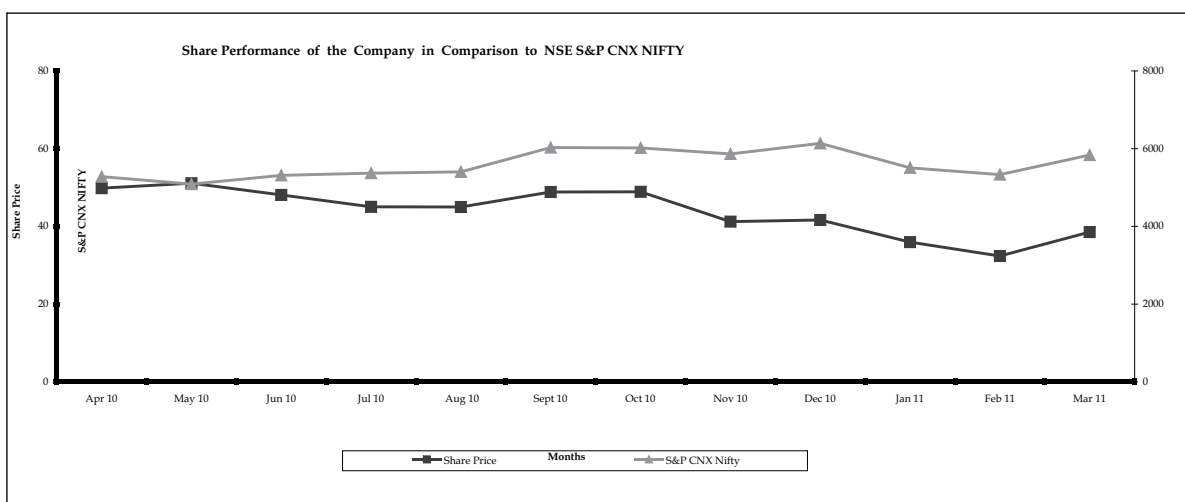
f) *Stock Data*

The Table below gives the Monthly High and Low Prices and Volumes of the Company's Equity Shares at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), Mumbai for the year 2010-11:

BANG OVERSEAS LIMITED					BSE Sensex		
Date	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr-10	54.40	42.80	50.05	1951107	18047.86	17276.80	17558.71
May-10	63.50	44.50	51.35	5450611	17536.86	15960.15	16944.63
Jun-10	55.20	45.50	48.40	984884	17919.62	16318.39	17700.90
Jul-10	50.50	45.00	45.15	529018	18237.56	17395.58	17868.29
Aug-10	53.90	44.60	44.90	2046814	18475.27	17819.99	17971.12
Sep-10	65.75	44.95	48.70	3857916	20267.98	18027.12	20069.12
Oct-10	56.90	48.40	48.95	2144863	20854.55	19768.96	20032.34
Nov-10	53.00	38.20	41.15	453128	21108.64	18954.82	19521.25
Dec-10	45.90	36.15	41.65	432632	20552.03	19074.57	20509.09
Jan-11	43.40	34.60	36.05	263356	20664.80	18038.48	18327.76
Feb-11	37.05	27.00	32.95	82192	18690.97	17295.62	17823.40
Mar-11	41.00	30.70	38.80	159871	19575.16	17792.17	19445.22



BANG OVERSEAS LIMITED					NSE S&P CNX Nifty		
Date	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr-10	54.40	42.30	49.85	3409673	5,399.65	5,160.90	5,278.00
May-10	64.20	44.10	51.10	7015971	5,278.70	4,786.45	5,086.30
Jun-10	61.45	47.00	48.10	1038925	5,366.75	4,961.05	5,312.50
Jul-10	50.50	44.65	45.05	591914	5,466.25	5,225.60	5,367.60
Aug-10	53.90	44.55	45.00	2888535	5,549.80	5,348.90	5,402.40
Sep-10	65.80	45.10	48.85	6439667	6,073.50	5,403.05	6,029.95
Oct-10	56.80	48.20	48.90	3394297	6,284.10	5,937.10	6,017.70
Nov-10	52.90	38.00	41.20	658874	6,338.50	5,690.35	5,862.70
Dec-10	45.60	35.85	41.65	607960	6,147.30	5,721.15	6,134.50
Jan-11	43.30	34.20	35.95	393646	6,181.05	5,416.65	5,505.90
Feb-11	37.30	26.35	32.40	99099	5,599.25	5,177.70	5,333.25
Mar-11	40.60	29.15	38.55	161962	5,872.00	5,348.20	5,833.75



h) *Shareholding Pattern*

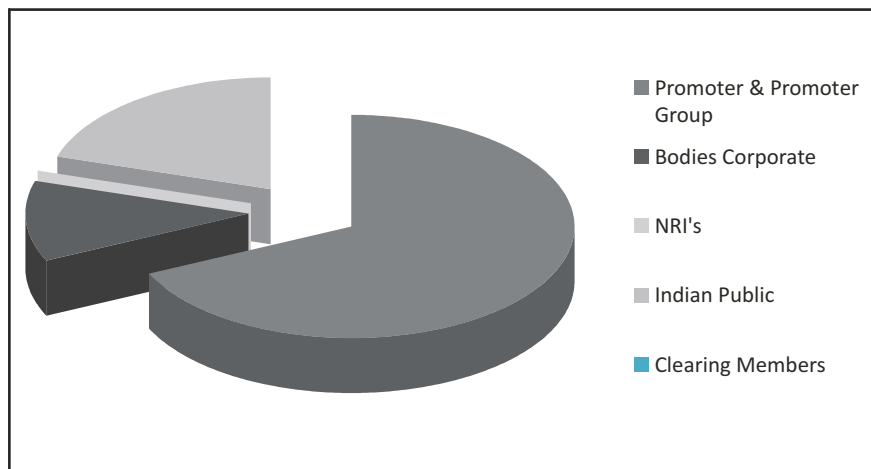
The Table below gives the pattern of Shareholding by ownership and share class respectively:

a. Shareholding Pattern by ownership as on 31st March, 2011:

Category	No. of shares held	Shareholding %
Promoters & promoter group	9228740	68.06
Bodies Corporate (Group Cos.)	1566751	11.55
NRI's	21712	0.16
Indian Public	2734206	20.16
Clearing members	8591	0.06
	13,560,000	100.00

b. Pattern of shareholding by share class as on 31st March, 2011

Category	Share Holders		Share Amount	
	No of Equity Shares	Number	(In Rs.)	% to Total
(1)	(2)	(3)	(4)	(5)
Upto - 5000	5583	86.25	7477210	5.51
5001 - 10000	466	7.20	3834210	2.83
10001 - 20000	190	2.94	2859970	2.11
20001 - 30000	52	0.80	1311670	0.97
30001 - 40000	34	0.53	1224440	0.90
40001 - 50000	39	0.60	1828420	1.35
50001 - 100000	45	0.70	3410940	2.52
Above 100000	64	0.99	113653140	83.82
Total	6473	100.00	135600000	100.00



i) *Dematerialisation*

The Company's Equity Shares are under compulsory Demat trading. The ISIN of the Scrip is INE863101016.

As on 31st March, 2011, Dematerialized shares accounted for **39.52%** of the Total Equity.

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

j) *Details of Public Funding Obtained in the Last Three Years*

The Company went for an IPO during the year 2007-08 and 35,00,000 Equity Shares of Rs.10/- each were issued at a premium of Rs. 197/- aggregating to Rs.7,245 lacs. The Company's shares are listed and traded at the Bombay Stock Exchange and National Stock Exchange. Utilization of Proceeds from the Issue is given elsewhere in this Annual Report.

k) Plants

Garments Unit:

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

Garments Unit:

Plot No. 4, Apparel Park,
Auto Nagar, Vadlapudi,
Visakhapatnam-530046

l) Registrar and Share Transfer Agents

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

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

Karvy Computershare Private Limited

Plot no. 17-24 Vittal Rao Nagar,
Madhapur, Hyderabad 500081
Tel: (91 40) 44655000
Fax: (91 40) 2343 1551
E-mail : einward.ris@karvy.com
Website: www.karvy.com

Contact person: Mr. P.A. Varghese

m) Investor Correspondence Address

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

Secretarial Department:

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. JALPA H. SALVI

BANG OVERSEAS LIMITED

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

Tel.: 022- 66607965

Fax: 022-66607970

E-mail: cs@banggroup.com

n) Subsidiary Companies

The Company has one material non - listed Indian Subsidiary Company, namely "Vedanta Creations Limited" and has appointed one Independent Director of the Company on the Board of the said Subsidiary. Further, the Audit Committee of the Company also reviews the financial statements, in particular, the investments made by the aforesaid Unlisted Subsidiary Company.

The Company has formed 3 (Three) more Wholly Owned Subsidiaries since the last financial year, out of which 1 (one) is an Indian Company known as "Thomas Scott (India) Limited" (incorporated on 22/10/2010) and 2(two) are Companies incorporated outside India (Foreign Body Corporates) known as "Bang Europa s.r.o. (incorporated on 12/11/2010) and Bang HK Ltd. (incorporated on 12.10.2010) based at Slovakia and Hong Kong respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS:

- Growth in Sales from 12893.31 Lakhs in 2010 to 14267.71 Lakhs in 2011 (10.65% increase)
- Growth in EBITD margin from 888.72 Lakhs to 1039.82 Lakhs
- Growth in EBITDA of 17% to Rs. 1039.82 Lakhs
- Growth in Profit After Tax of 238% to Rs. 786.76 Lakhs
- Cash surplus of Rs.9.30 Lakhs at year end

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian textile industry contributes a very important role in Indian economy. It is one of the leading industries in the world. Though it was predominately a slowly growing industry even a few years back but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much needed thrust to the Indian textile industry. This is now successfully become one of the largest industries in the world. Indian textile and clothing industry contributes about 4% of GDP and 14% of Industrial output and it is the second largest employer after agriculture, it is estimated that industry provides direct employment to 35 million people including substantial segments of weaker sections of society with a very low important intensity of about 1.5% only, it is the largest net foreign exchange earner in India, earning almost 35% of foreign exchange.

The textiles industry in India enjoys a distinctive position due to the pivotal role it plays by way of contribution to industrial output, employment generation (second largest after agriculture) and export earnings of the country. The industry is rich and varied, embracing the hand-spun and hand-woven sector at one end and the capital intensive, sophisticated mill sector at the other. Its association with the ancient culture and tradition of the country lends it a unique advantage in comparison with textiles industry of other countries, thus giving it an uncommon edge to cater to a vast variety of products and market segments both domestically, as well as, globally.

The industry currently contributes about 14 per cent to industrial production, 4 per cent to GDP, and 17 per cent to the country's export earnings, according to the Annual Report 2010-11 of the Ministry of Textiles. The industry accounts for nearly 12 per cent share of the country's total exports basket. It provides direct employment to more than 35 million people.

...
Despite of the challenges and growing competition for success in this sector, the size and growth of this Industry provides opportunities that your Company is well established with strong distribution network, well-known Brand, stable financial position and Goodwill in the Market.

BRAND AND BUSINESS:

Your Company has a world class retail network of a complete Menswear and Lifestyle under its Brand "THOMAS SCOTT" and is also trading into fabric and meeting ready to wear requirements of customers in apparel, branded garment segment not only in domestic market but also exports to renowned retailers worldwide and also manufactures garments for other renowned & established Brands.

Our Brand "THOMAS SCOTT" has in a span of Nine years, established itself and has earned an image for quality and style.

RETAIL STORES/OUTLETS:

Your Company had 76 Outlets out of which 27 were closed down due to location disadvantage. Therefore, As on March 31, 2011, Your Company has 46 Operational Retail Outlets across the Country selling men's formal and casual garments through Large Format Stores under its Brand Name "THOMAS SCOTT". We have to strive hard to reach up to and maintain the day by day growing Customer's level of satisfaction and Demand.

SEGMENTWISE OR PRODUCT-WISE PERFORMANCE

Your Company basically operates in two geographical segments i.e. India and Overseas.

During the Financial year 2010-11, Domestic Turnover of the Company increased by 12.13 % from Rs. 11127.43 Lacs to Rs. 12477.26 Lacs whereas; the Export Turnover of the Company recorded a gain 1.39% of from Rs. 1765.88 Lacs to Rs. 1790.46 Lacs.

OPPORTUNITIES & THREATS:

TECHNICAL TEXTILE SEGMENT:

The technical textiles segment is expected to grow by 11 per cent per annum till 2012-13 and is likely to grow at 6-8 per cent per annum till 2020 without any policy interventions. If the government intervenes by way of regulatory push, the growth of technical textiles industry can be estimated at 12-15 per cent per annum till 2020, according to Rita Menon, Secretary, Union Ministry of Textiles. She added that the technical textiles segment in India has the potential to attract investment and create additional employment opportunities in coming years. She further said that investments of US\$ 1.1 billion are expected by 2012 and employment is expected to increase to 1.2 million by 2012.

The Vision Statement for the textiles industry for the 11th Five Year Plan (2007-12) sees India securing a 7 per cent share in the global textiles trade by 2012. At current prices, the Indian textiles industry is valued at US\$ 55 billion, 64 per cent of which caters to domestic demand.

RETAIL SECTOR:

Due to increasing number of Malls, Retail Outlets and correspondingly increasing Brand Consciousness and Loyalty of the customers, the Retail Sector has become one of Emerging Business Sector and is considered to grow steadily in near future.

PRODUCTION

During February 2011, total cloth production rose by 5.8 per cent year-on-year (y-o-y). During April- February 2011 cloth production increased by 4.5 per cent y-o-y.

EXPORTS:

The Export of textiles and clothing (T&C) aggregated to US\$ 22.42 billion in 2009-10. The Government fixed the target for 2010-11 at US\$ 25.48 billion. So far during the period April- September 2010, exports of T&C have been achieved at US\$ 11.26 billion.

Total textile exports during April-December 2010 registered an increase of 16.54 per cent in rupee terms at Rs 87,582.83 crore as against Rs 75,149.98 crore during the corresponding period of the previous year, according to the latest data released by DGCI&S, Kolkata. The same were valued at US\$ 19,217.12 million as against US\$ 15,695.07 million during the corresponding period of the previous year, registering an increase of 22.44 per cent.

The share of textile exports in total exports was 11.29 per cent during April-December 2010 as against 12.34 per cent during April- December 2009.

The textile industry plays a significant role in getting the foreign exchange reserves into the country, contributing to approximately 15 per cent of the total exports from the country. Exports in textiles and apparel have registered a strong growth in last few years 11 per cent CAGR from 2004-05 to 2007-08.

FOREIGN INVESTMENT:

India's liberalization of its foreign investment regulations, buoyant domestic demand for textiles, and strong export potential have led to growing foreign investment in the country. The country has become one of the fastest growing destinations for FDI inflows and collaboration. India's Special Economic Zones (SEZs) attract foreign investment by providing tax incentives, assistance with bureaucratic and administrative problems, and access to reliable infrastructure. The Apparel and Textile Industry being one of the most prominent and promising Sectors amongst others and considering the above Textile Segment ,Retail Industry, Export and Investment related trends and progress, your company sees a bright future and better opportunities in its business expansion as it mainly focuses on Manufacturing, Retailing, Export & Import related activities.

On account of the available benefits and opportunities so available in the Textile and Apparel Industry, Intense Competition and Increasing Challenges in order to survive in such a fast-growing and challenging Market is proving to act as a threat to the Industry but your Company believes that to overcome such threats by beating its own records day by day and thus creating benchmarks is even an interesting challenge.

RISK AND CONCERNS

Textile and Apparel Industry is a cyclical industry which is dependent upon the customer's spending capacity, day-by-day new innovations and the premium quality of products called as **BRANDS**. Customers look for premium quality fashionable wear at a relatively lesser price which proves to be a major risk to the Industry. Further, on account of the changing tastes, preferences of the Customers and Changing Fashion Trends and above all increasing replication/duplication of new products by the competitors also acts as a risk as the developments and innovations undertaken are replicated by the

competitors and in a way the growth and profits are hampered.

The Industry is expected to adapt and react on the immediate change in the customer's preferences/tastes and changing fashion trends. Due to which, the old stock remains stored and unsold and which if sold, has to be sold at a relatively cheaper rates in order to clear the stock which ultimately results in loss.

Your Company has always taken care of the concerned Risks and has never let them affect its business. Your Company has an excellent team of Designers to take care of the Changing Preferences/Tastes and Fashions. As the success of your Company's business depends upon its ability to offer innovative & updated products at attractive prices without giving the customers a chance to complain or be dissatisfied.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Sound and Effective Internal Control System is very essential for a Company so as to provide effectiveness and efficiency in its operations, reliability in financial reporting, compliance with applicable laws and regulations and also that the working system of the Company is leak-proof and effective. Internal Control System is a continuous process of Monitoring, Assessment of Risks, Information and Communication so as to ensure the achievement of set goals of the Company.

Your Company has developed a sound and adequate system of Internal Control and Financial Reporting that commensurate with its size and the nature of its operations. It has been a practice followed by your Company that an Internal Audit is undertaken by the Internal Auditor of the Company every quarter and a Robust/Exhaustive Internal Audit Report so obtained from the Internal Auditor incorporating even the minor loop-holes in the Internal Control and Financial Reporting System along with its Relevant Schedules is placed before the Audit Committee and the Board of Directors every quarter for their review and comments so that the Internal Control System is smooth and without any loop-holes. Your Company's Internal Control and Financial Reporting process is supported by Quarterly Internal Audits, Review of the Internal Audit Report by the Management, Action taken/ to be taken on the suggestions/loopholes as pointed out by the Internal Auditors in their Report, Review of the Internal Control and Financial Reporting System by the Audit Committee, Compliances with the concerned Laws/Guidelines/Regulations, Review of Financial Reporting System etc.

Your Company has appointed FRG & Company, Chartered Accountants, as the Internal Auditor of the Company to regularly monitor the Internal Control Systems and their Implementation.

As per the Listing Agreement and in order to ensure a sound and effective Internal Control System, The Audit Committee as constituted by the Board of Directors of the Company regularly reviews the implementation and adequacy of the Internal Control Systems and offers their comments/suggestions in further strengthening the same.

ENVIRONMENT & SAFETY/NATURE & SECURITY

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

HUMAN RESOURCE- THE BIGGEST COMPETITIVE EDGE

The Impressive Performance of the Company is because of its skilled and hard-working employees. Your Company believes in Long- term efficiency and therefore believes in training, motivating and retaining its employees for a long term by further developing their organizational skills, talents which would result in greater efficiency. As your Company strongly believes that **"The Company's Efficiency is a result of its Manpower's Hard-work and Efficiency"**. Further, it always is in the process of continuous evaluation and training of the Employees and maintaining excellent relations between the Company and the Employees.

Your Company employed 416 employees during the year. Therefore, the total numbers of employees of the Company as on March 31, 2011 were 1083.

OUTLOOK:

Your Company has year by year given positive and impressive results which has been possible because of various factors like the shareholders, the opportunities in the Industry, customer's brand loyalty, Hard-work of its Employees and unstinted support extended by them and its various other parties and will continue doing the same. Your Company has started up with various overseas and domestic projects with some of them at the verge of completion, in order to expand its business worldwide.

Your Company has incorporated two wholly owned subsidiaries at Hong Kong and Slovakia in order to trade its garments overseas and establish a place in the International Market as well. Also, It has entered into a Joint Venture with a Leading Fashion Group at Macedonia through its Wholly owned Subsidiary for expansion of its business in Macedonia.

Also, Your Company has purchased properties at various locations for setting up its Manufacturing & Logistics Unit to enhance its Manufacturing activities.

Your Company has 46 Retail Outlets under its Brand “**THOMAS SCOTT**” across the Country as on March 31, 2011 and further plans to open new outlets all over India along with its business expansion overseas. Further, it is in the process of expanding its Manufacturing capacities across India and Overseas as well.

Your Company also operates through Large Format Stores (LFS). It has spaces in two kinds of LFS i.e. Lifestyle Format Stores such Globus, Reliance Trends, Gitanjali Maya etc. and Value Format Stores such as Wall- Mart, Reliance Super, Pantaloons Brand Factory etc. and plans to further negotiate for such more stores.

CAUTIONARY STATEMENT:

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

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

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

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

To the Members,
Bang Overseas Limited.

We have examined the compliance of conditions of Corporate Governance by Bang Overseas Limited (“the Company”), for the year ended 31st March 2011, as stipulated in Clause 49 (VII) (1) of the Listing Agreement with the Stock Exchange(s) in India.

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

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

On the basis of the records maintained by the Company we state that as at 31st March 2011, there were no investor grievances pending with the Company.

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

For Kothari H & Associates
Company Secretaries

Sd/-
Hitesh Kothari
Place: Mumbai
Dated: August 31, 2011
Membership No. : 16982

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

As per the requirements of Clause 49(I) (D) (ii) of the Listing Agreement, I, Brijgopal Bang, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2010-11.

Sd/-
Brijgopal Bang
Managing Director

Place: Mumbai
Date: August 31, 2011

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

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2010-11 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Bang Overseas Limited**

Sd/- Brijgopal Bang Managing Director	Sd/- Jaydas Dighe Vice President- Finance
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Place: Mumbai
Date : August 31, 2011

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, 2011 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 2011, we report that, none of the directors is disqualified as on 31 March 2011 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, 2011;
 - 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
Firm Registration No.: 108373W

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place: Mumbai
Date: 31st August 2011

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. The particulars in respect of fixed assets of Retail Division are under process of updation.
 - (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) During the year the Company has not disposed off a substantial part of the fixed assets.
- (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. No material discrepancies were noticed on the physical verification done by the management.
- (iii) In respect of loans taken / granted:
 - (a) According to the information and explanation given to us, the Company has taken unsecured loans during the year from one company and eleven parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount due on such unsecured loans during the year is Rs. 21,78,38,204/- and the year end balance is Rs. 20,89,13,342/-
 - (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) In our opinion, and according to the information and explanation given to us, the Company has not accepted any deposit from public and therefore the provisions of Section 58 and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the Company.
- (vii) In our opinion, the internal audit functions carried out during the year by the Internal Auditor have been commensurate with the size of the Company and nature of it's business.
- (viii) 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 including provident fund, employees' state insurance, income tax, sales tax, service tax and custom duty have generally been regularly deposited with the appropriate authorities.

According to the information and explanation given to us, there was no undisputed amount payable in respect of statutory dues were in arrears as at 31st March, 2011 for a period of more than 6 months from the date they became payable.

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

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
- (xii) According to the information and explanations given to us , the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a nidhi / mutual benefit fund / society.
- (xiv) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments. All the Investments made by the Company are in the name of the Company.
- (xv) The Company has given guarantee of Rs. 10,00,00,000/- for loans taken by its Subsidiary Vedanta Creations Ltd. from The Hongkong and Shanghai Banking Corporation Limited.
- (xvi) According to the records of the Company, and as per the information and explanation given to us the Company has not taken the term loan and hence provision of clause 4(xvi) of the order is not applicable.
- (xvii) Based on the information and explanation given to us and over all examination of Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) 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-6 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
Firm Registration No: 108373W

Rajendra Kumar Gupta

Partner
Membership No: 9939

Place: Mumbai
Date: 31st August 2011

Balance Sheet as at March 31, 2011

Particulars	Schedule	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	135,600,000	135,600,000
Reserves & Surplus	2	913,131,047	834,454,987
Loan Funds			
Secured Loans	3	317,445,400	258,947,137
Unsecured Loans	4	208,913,342	200,208,205
Deferred Tax Liabilities		10,400,325	10,624,322
		<u><u>1,585,490,114</u></u>	<u><u>1,439,834,651</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	237,188,857	180,787,608
Less: Accumaltd Depreciation		<u>(60,630,845)</u>	<u>(46,627,809)</u>
Net Block		<u>176,558,012</u>	<u>134,159,799</u>
Capital work-in-progress		<u>54,603,240</u>	<u>74,186,292</u>
		<u>231,161,252</u>	<u>208,346,091</u>
Investments			
	6	20,458,400	174,012,066
Current Assets, Loans and Advances			
Inventories	7	409,636,689	361,066,362
Sundry Debtors	8	581,556,758	442,130,754
Cash and Bank Balances	9	437,000,295	361,630,605
Loans and Advances	10	<u>106,341,482</u>	<u>112,397,847</u>
		<u>1,534,535,224</u>	<u>1,277,225,567</u>
Less: Current Liabilities and Provisions			
Current Liabilities	11	180,469,690	223,842,657
Provisions	12	<u>21,729,385</u>	<u>1,048,225</u>
		<u>202,199,075</u>	<u>224,890,882</u>
Net Current Assets			
Miscellaneous Expenses to the extent not written off or adjusted	13	<u>1,534,313</u>	<u>5,141,809</u>
		<u><u>1,585,490,114</u></u>	<u><u>1,439,834,651</u></u>
Notes to Accounts	22		

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

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Venugopal Bang

Chairman

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

Place : Mumbai

Date : 31st August, 2011

Place : Mumbai

Date : 31st August, 2011

Profit and Loss for the year ended March 31, 2011

Particulars	Schedule	Year ended 31.03.2011 (Rupees)	Year ended 31.03.2010 (Rupees)
INCOME			
Sales	14	1,426,771,338	1,289,330,616
Other income	15	60,239,262	62,328,055
Increase in inventories	16	33,159,058	28,330,155
		<u>1,520,169,658</u>	<u>1,379,988,826</u>
EXPENDITURE			
Trade Purchases	17	834,648,736	660,144,634
Raw Material Consumption	18	271,609,723	360,621,363
Employee Compensation	19	78,080,434	71,874,509
Manufacturing, Administrative, & Selling Expenses	20	215,593,577	187,129,782
Depreciation		15,452,275	15,009,915
Amortisation		3,607,497	3,607,498
Finance Expenses	21	51,871,546	47,015,316
		<u>1,470,863,789</u>	<u>1,345,403,017</u>
Profit /(Loss) for the year before exceptional item:		49,305,869	34,585,810
Exceptional Item (Refer Note B14 of schedule 22)		55,000,000	-
Profit /(Loss) for the year before tax		104,305,869	34,585,810
Provisions : - Current Tax		25,750,000	12,300,000
- Deferred Tax		(223,997)	464,815
Profit /(Loss) for the year after tax		78,779,866	21,820,995
Prior Period Items (Net)		103,807	(1,416,803)
Net Profit for the year		78,676,059	23,237,798
Balance Profit Brought Forward from Previous Year		161,680,219	138,442,421
Surplus Carried Over to Balance Sheet		240,356,279	161,680,219
Earning per Share - Basic and Diluted			
EPS excluding exceptional item		2.67	1.71
EPS including exceptional item		5.80	1.71

Notes to Accounts 22

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

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Venugopal Bang

Chairman

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

Place : Mumbai

Date : 31st August, 2011

Place : Mumbai

Date : 31st August, 2011

Cash Flow Statement for the year ended March 31, 2011

Particulars	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
A. Cash flow from Operating Activities		
Net profit before taxation	104,305,869	34,585,810
Adjustments for:		
Depreciation	15,452,275	15,009,915
Amortisation	3,607,497	3,607,498
(Profit) / Loss on sale of Fixed Assets	1,000,392	187,351
Fixed Assets Written off	1,909,307	-
Sundry Balances Written off	2,740,863	(4,792,687)
Prior Period	103,807	(1,416,803)
Exchange rate fluctuation loss/(gain)	-	180,351
Bad Debts Written Off	7,212,229	2,684,566
Interest income	(28,490,694)	(17,243,401)
Dividend income	(2,240)	(6,100,504)
(Profit)/Loss on sales of Investements	(5,919,717)	424,564
(Profit)/Loss on sales of Investements included in exceptional item	(55,000,000)	-
Interest expense	39,223,868	39,276,154
Operating profit before Working Capital changes	86,143,456	66,402,813
Decrease / (Increase) in sundry debtors	(139,426,004)	(85,408,423)
Decrease / (Increase) in inventories	(48,570,327)	9,785,890
Decrease/(Increase) loans and advances	6,056,365	(8,996,275)
Increase / (Decrease) in current liabilities	(43,372,967)	36,286,897
Cash generated from operations	(139,169,477)	18,070,902
Direct taxes paid	(15,163,544)	(8,280,824)
Net Cash from Operating Activities	(154,333,021)	9,790,078
B. Cash flows from Investing activities		
Purchase of Fixed Assets	(61,244,043)	(20,987,182)
Capital work-in-progress	19,583,052	(19,186,292)
Receipt from sale of assets	417,854	32,370,311
Purchase of Investment	(12,931,000)	(166,484,666)
Sale of Investment	227,404,383	-
Interest received	28,490,694	17,243,401
Dividends received	2,240	6,100,504
Net Cash from Investing Activities	201,723,180	(150,943,924)
C. Cash flows from Financing Activities		
Unsecured Loans	8,705,137	7,218,998
Car Loan finance	4,563,158	934,534
Proceeds from long-term borrowings	-	(9,434,100)
Proceeds from working capital borrowing	53,935,105	3,776,733
Interest paid	(39,223,868)	(39,276,154)
Net cash from Financing Activities	27,979,532	(36,779,989)
Net increase in cash and cash equivalents (A + B + C)	75,369,690	(177,933,835)
Cash and cash equivalents at the beginning of the year	361,630,605	539,564,440
Cash and cash equivalents at the end of the year	437,000,295	361,630,605

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 31st August, 2011

Venugopal Bang

Chairman

Place : Mumbai

Date : 31st August, 2011

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

Schedules forming part of Balance Sheet as at March 31, 2011

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2010 (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 1,35,60,000 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	135,600,000
	135,600,000	135,600,000
Schedule 2 : Reserves & Surplus		
Securities Premium Account		
Balance as per last account :	672,774,768	672,774,768
Profit & Loss Account		
	240,356,279	161,680,219
	913,131,047	834,454,987
Schedule 3 : Secured Loans (Refer note - B15 of Schedule 22)		
Cash / Export Credit	64,279,683	96,176,361
Factoring Credit	32,327,055	38,749,660
Buyers Credit	215,173,174	122,918,786
Car Loans	5,665,488	1,102,330
	317,445,400	258,947,137
Schedule 4 : Unsecured Loans		
From Promoters & Promoter Group	172,869,192	162,664,114
From Directors	14,874,013	14,652,375
Interest accrued and due on unsecured loan	21,170,137	22,891,716
	208,913,342	200,208,205

Schedules forming part of Balance Sheet as at March 31, 2011

Schedule 5 : Fixed Assets

(Figures in Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1/4/2010	Addition	Deduction	As at 31/03/2011	Up to 01/04/2010	For the Period	Depreciation Adjustment	Up to 31/03/2011	As at 31/03/2011	As at 31/03/2010
A. Assets										
Plant & Machinery	43,727,314	21,732,241	-	65,459,555	8,526,656	2,533,714	-	11,060,370	54,399,185	35,200,658
Office Equipment	4,953,278	1,298,768	237,045	6,015,001	1,450,632	489,844	56,848	1,883,628	4,131,373	3,502,646
Furniture	42,231,468	8,213,457	3,344,997	47,099,928	15,099,909	5,218,784	1,017,895	19,300,798	27,799,130	27,131,559
Computer System	14,197,414	1,688,376	147,171	15,738,619	9,386,023	1,925,212	92,332	11,218,903	4,519,717	4,811,391
Vehicles	4,379,001	6,647,801	-	11,026,802	1,763,116	1,121,219	-	2,884,335	8,142,467	2,615,885
Factory Building	48,035,134	-	-	48,035,134	7,048,062	1,933,586	-	8,981,648	39,053,486	40,987,072
Land	6,604,618	-	-	6,604,618	-	-	-	-	6,604,618	6,604,618
Building	132,270	19,762,443	-	19,894,713	9,678	203,218	-	212,896	19,681,817	122,592
Lease Hold Improvement	16,527,111	1,900,957	1,113,581	17,314,487	3,343,733	2,026,699	282,165	5,088,267	12,226,220	13,183,378
Total	180,787,608	61,244,043	4,842,794	237,188,857	46,627,809	15,452,276	1,449,240	60,630,845	176,558,012	134,159,799
B. Capital work-in-progress										
Total	180,787,608	61,244,043	4,842,794	237,188,857	46,627,809	15,452,276	1,449,240	60,630,845	231,161,252	208,346,091
Previous year 09-10	200,816,511	20,987,182	41,016,083	180,787,608	40,076,315	15,009,915	8,458,421	46,627,809	134,159,799	

Schedules forming part of Balance Sheet as at March 31, 2011

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
Schedule 6 : Investments		
Long Term Investments (At cost)		
a) Investment in non trade securities - Unquoted		
1000 (Previous Year 1000) fully paid equity shares of Saraswat Co-op. Bank Ltd., Of Rs. 10 each	10,000	10,000
b) Investment in Jointly Controlled Entity - Unquoted		
Nil (Previous Year 1000000) fully paid equity shares of Aquarelle India Pvt. Ltd. of Rs.10	-	60,000,000
c) Investment in Mutual Funds		
Nil (Previous Year 792819) units of Templeton Floating Rate Income Fund	-	106,484,666
d) Investment in Subsidiary Company		
-284750 (Previous Year 284750) fully paid equity shares of Vedanta Creations Ltd. of Rs.10 each	7,517,400	7,517,400
-50000 (Previous Year nil) fully paid equity shares of Thomas Scott India Ltd. of Rs. 10 each	500,000	
- Investment in Bang Europa S.R.O.	12,143,500	-
- Investment in Bang HK Limited	287,500	-
	<u>20,458,400</u>	<u>174,012,066</u>
Schedule 7 : Inventories		
(As taken, Valued & Certified by the Management)		
Raw materials and components	124,215,389	108,804,120
Work-in-progress	6,074,301	10,363,824
Finished goods	154,658,196	113,537,612
Tarde goods	124,688,803	128,360,805
	<u>409,636,689</u>	<u>361,066,362</u>
Schedule 8 : Sundry Debtors (Refer note B8 of Schedule 22)		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	243,170,363	220,553,354
Other Debts	338,386,395	221,577,400
[Included in sundry debtors are due from subsidiary company, Bang Europa S.R.O. Rs. 29,03,981 (Previous year : Nil)]		
	<u>581,556,758</u>	<u>442,130,754</u>
Schedule 9 : Cash and Bank Balances		
Cash on hand	929,962	908,967
Balances with scheduled banks : in Current Account	9,117,481	1,537,856
: in Fixed Deposit Account	426,952,852	359,183,782
	<u>437,000,295</u>	<u>361,630,605</u>
Schedule 10 : Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	11,262,754	8,599,347
Advances to Staff	550,434	523,881
Balances with Government Authorities	1,811,704	2,387,947
Advance Tax & T.D.S. (Net of provisions)	-	18,887,175
Advances towards purchase of goods / services	70,916,435	61,815,786
Deposits	21,800,156	20,183,711
	<u>106,341,482</u>	<u>112,397,847</u>

Schedules forming part of Balance Sheet as at March 31, 2011

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
Schedule 11 : Current Liabilities		
Sundry creditors		
Creditors for goods	75,849,506	106,588,811
Creditors for others	48,964,587	47,697,554
Due to Subsidiary Company	24,495,919	39,446,498
Advances from buyer's	479,720	484,984
Sundry Deposits	18,263,772	24,657,855
Interest accrued but not due on secured loans	985,351	-
Duties & Taxes	11,430,835	4,966,955
	180,469,690	223,842,657
 Schedule 12 : Provisions		
Provision for Income Tax (Net of advance Tax, Refund and TDS)	7,423,674	-
Provision for Fringe Benefit Tax (net of advance payments)	13,153	-
Provision for Wealth Tax	50,000	-
Provision for Excise Duty Payble	13,801,737	-
Provision for Gratuity	440,821	1,048,225
	21,729,385	1,048,225
 Schedule 13 : Miscellaneous Expenditures		
Brand Development Expenses	1,534,313	4,447,361
Pre-operative expenses of new project	-	694,449
	1,534,313	5,141,809

Schedules forming part of Profit and Loss Account for the year ended March 31, 2011

Particulars	2010-2011 (Rupees)	2009-2010 (Rupees)
Schedule 14 : Sales		
Domestic Sales		
- Trade Goods	720,148,811	601,005,737
- Manufactured goods	505,815,977	527,030,614
Export Sales		
- Trade Goods	145,621,397	46,433,769
- Manufactured goods	33,424,179	130,153,969
	1,405,010,364	1,304,624,089
- Jobwork Charges / Scrap Sales	33,279,091	31,754,806
Net Sales :	1,438,289,455	1,336,378,895
Less : Inter Department Transfer :	11,518,117	47,048,279
Net Sales :	1,426,771,338	1,289,330,616
Schedule 15 : Other Income		
Interest on Deposits (TDS Rs. 26,71,371 PY Rs. 25,70,487)	26,519,585	17,243,401
Rent Received (TDS Rs. 13,78,884 PY Rs. 19,72,019)	13,143,600	12,110,183
Foreign Exchange Gain	4,133,646	15,714,076
Dividend	2,240	6,100,504
Duty Drawback / DEPB Incentives	7,103,837	6,069,783
Sundry Balances Written off	774,799	4,792,687
Profit on Sale of Investment	5,919,717	-
Misc. Income (Insurance Claim Received & Discount)	670,730	297,421
Interest received on Income Tax Refund	1,971,109	
	60,239,262	62,328,055
Schedule 16 : Increase in Inventories		
Inventories at beginning of the year		
- Trade goods	128,360,806	106,113,956
- Work-in-progress	10,363,824	11,884,454
- Finished goods	113,537,612	105,933,676
	(A) 252,262,242	223,932,086
Inventories at closing of the year		
- Trade goods	124,688,803	128,360,805
- Work-in-progress	6,074,301	10,363,824
- Finished goods	154,658,196	113,537,612
	(B) 285,421,300	252,262,241
Increase in Inventories	(A - B) 33,159,058	28,330,155
Schedule 17 : Trade Purchases		
Trade Purchases	761,101,324	603,677,192
Jobwork Charges	85,065,529	103,515,721
	846,166,853	707,192,913
Less : Inter Department Transfer :	11,518,117	47,048,279
Net Purchase	834,648,736	660,144,634
Schedule 18 : Raw Material Consumption		
Opening Stock - Raw materials	108,804,120	146,920,167
Add : Purchases - Raw materials	287,020,992	322,505,316
Less : Closing Stock - Raw materials	124,215,389	108,804,120
	271,609,723	360,621,363

Schedules forming part of Profit and Loss Account for the year ended March 31, 2011

Particulars	2010-2011 (Rupees)	2009-2010 (Rupees)
Schedule 19 : Employee Compensation		
Salaries, wages, and bonus	69,724,190	63,662,947
Contribution to Provident Fund and ESIC	6,010,301	5,408,418
Gratuity Expenses	434,633	833,401
Workmen and staff welfare expenses	1,911,310	1,969,743
	78,080,434	71,874,509
Schedule 20 : Manufacturing, Administrative & Selling Expenses		
Power & Fuel	9,200,338	7,183,625
Freight and forwarding charges	23,369,441	21,161,595
Rent	35,065,735	30,578,344
Rates & Taxes	3,648,381	5,984,127
Insurance Charges	2,165,357	2,081,222
Repairs & Maintenance	-	-
- Plant & Machinery	1,292,502	2,902,108
- Building	346,502	-
- Other	6,972,730	6,051,503
Advertising	12,863,179	12,651,818
Sales Promotion	698,652	1,719,492
Brokerage & Sales Commission	45,843,710	44,718,746
Travelling Expenses	5,544,849	4,440,160
Conveyance Expenses	746,518	874,358
Communication Cost	2,751,988	2,674,267
Printing & Stationary	1,711,911	1,872,723
Legal, Professional and Consultancy fees	11,458,758	11,106,179
Directors Sitting Fees	80,000	85,000
Remuneration to Managing Director	2,400,000	2,400,000
Auditor's remuneration	-	-
- Audit fee	80,000	80,000
- Tax Audit fee	50,000	50,000
- Others	112,000	-
Donation	-	25,000
Loss on sale of fixed Assets	1,000,392	187,351
Fixed Assets write off	1,909,307	-
Courier & Postage	2,262,694	2,471,983
Vehicle Expenses	647,493	543,727
Packing Material Expenses	966,782	659,976
Transportation for factory workers	723,041	1,377,726
Washing Charges	2,785,113	3,150,105
Security & Service Charges	9,482,314	7,869,751
Bad Debts	7,212,229	2,684,566
Excise Duty on Closing Stock	13,801,737	-
Loss on sale of Investments	-	424,564
Miscellaneous Expenses	8,399,925	9,119,769
	215,593,577	187,129,782
Schedule 21 : Finance Expenses		
Interest		
- On term loans	-	82,388
- On working capital loan	14,618,929	15,492,475
- On Others	24,604,938	23,701,291
Bank Charges	12,647,679	7,739,161
	51,871,546	47,015,316

SCHEDULE 22

NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of Financial Statements

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

2. Use of Estimate

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

3. Fixed Assets

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

Depreciation

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

Impairment

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

4. Intangible Assets

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

5. Leases

Where the Company is the lessee

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

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

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

Where the Company is the lessor

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

6. Government grants and subsidies

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

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

7. Investments

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

8. Inventories

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

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

9. Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest

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

(iii) Dividends

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

10. Foreign Exchange Transaction

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

11. Employee benefits

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

12. Current Tax and Deferred Tax

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.

- (ii) Deferred tax resulting from timing difference between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

13. Earning per share

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

14. Cash Flow Statement

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

15. Provision, Contingent Liabilities and Contingent Assets

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

B. NOTES ON ACCOUNTS:

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

2. Segment Reporting:

a. Primary Segment:

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

b. Secondary Segment (By Geographical Segment):

(Figures in Rs)

Particulars	India	Outside India	Total
Sales	124,77,25,764	17,90,45,574	142,67,71,338
	(111,27,42,879)	(17,65,87,738)	(128,93,30,617)
*Segment Assets	55,26,60,590	2,88,96,168	58,15,56,758
	(42,88,45,291)	(1,32,85,463)	(44,21,30,754)

(Figures in bracket indicate previous year's figures)

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

3. Operating Lease Arrangements:

a. As lessee:

Rental expenses of Rs. 3,50,65,735 (P.Y. Rs. 3,05,78,344) in respect of obligation under operating leases have been recognized in the profit and loss account.

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

(Figures in Rs)

	31.03.2011	31.03.2010
Due not later than one year	1,11,91,242	1,63,90,339
Due later than one year but not later than five years	72,92,276	4,00,60,132
Later than five years	NIL	NIL

The above figures include:

- Lease rentals calculated based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.
- Lease rentals do not include common maintenance charges, tax payable, if any.
- The Company has not entered under any operating lease agreement which is not-cancelable more than five years.

b. As lessor:

Rental Income recognized in the Profit & Loss account during the year Rs. 131,43,600/- (Previous Year Rs.121,10,183/-) relating lease arrangements. .

4. Employee benefit plan:

The Company has recognized Rs. 4,34,633/- (PY Rs. 833,401/-) in the Profit and Loss Account for the year ended 31st March 2011 under defined contribution plans.

(a) Expenses recognized in Profit & Loss Account for the year ended 31 March 2011:

(Figures in Rs.)

	2010-2011	2009-2010
Current service cost	7,52,068	7,12,485
Interest cost	1,62,313	91,938
Expected return on Assets	(1,19,794)	(24,289)
Actuarial (gains) / losses	3,59,954	53,267
Past service cost		
Net expenses	4,34,633	8,33,401

(b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2011:

(Figures in Rs.)

	As at 31 March 2011	As at 31 March 2010
Defined benefit obligation	25,96,744	20,28,910
Fair value of plan assets	21,55,923	9,80,685
Fund status [Surplus/(Deficit)]	4,40,821	10,48,225
Net Assets / (Liability)	(4,40,821)	(10,48,225)

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

(Figures in Rs.)

	2010-2011	2009-2010
Opening defined benefit obligation	20,28,910	11,71,173
Current service cost	7,52,068	7,12,485
Interest cost	1,62,313	91,937
Benefit paid	-	-
Actuarial (gains) / Losses	(3,46,547)	53,315
Closing defined benefit obligation	25,96,744	20,28,910

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

(Figures in Rs.)

	2010-2011	2009-2010
Fair Value of Plan Assets at the beginning of the period.	9,80,685	-
Expected Return on Plan Assets	1,19,794	24,289
Actuarial (gains) / Losses	13,407	47
Assets distributed on settlements	-	-
Actual Company Contributions less Risk Premium	10,42,037	9,56,349
Benefit Payments	-	-
Fair Value of the assets	21,55,923	9,80,685

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

(Figures in Rs.)

Assumption	As at 31 March 2011	As at 31 March 2010
Discount rate	8%	8%
Expected return on assets	8%	0%
Salary Increase	6%	3%
Withdrawal rates	2%	2%
Mortality table	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	

5. Contingent Liabilities

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Bank Guarantees	16,30,000	31,62,000
Letter of credit	7,16,68,684	8,45,71,868
Export Obligation	3,52,21,146	7,39,56,158
Corporate Guarantee	10,00,00,000	7,00,00,000
Total	20,85,19,830	23,16,90,026

6. Details of IPO Proceeds Utilization

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Net Issue Proceeds	72,45,00,000	72,45,00,000
Utilization of Funds :		
General Corporate Office	10,16,75,000	10,16,75,000
Setting up of Retail Stores & Brand Building	10,63,00,000	10,63,00,000
Setting up of Apparel Manufacturing Unit at Kolar District, Karnataka	25,000	25,000
Setting up of Apparel Manufacturing Unit in the state of Karnataka and Andhra Pradesh	1,91,24,050	Nil
Setting up of Apparel Manufacturing Unit at Visakhapatnam, Andhra Pradesh	1,91,82,110	1,52,33,012
Entering into Joint Venture / Acquisition of existing setup in India or elsewhere	1,24,31,000	Nil
Warehousing and logistic facilities	Nil	Nil
Setting up of Design, Display and Sampling Unit	2,33,16,152	1,62,43,300
Share Issue Expenses	5,15,19,932	5,15,19,932
Total	33,35,73,244	29,09,96,244

The balance unutilized proceeds Rs. 39,09,26,756/- are kept in Fixed Deposit with Scheduled Bank and financial institutions.

7. 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:

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	1,16,89,337	1,15,72,677
On account of expenditure allowed u/s 43B on payment basis	8,41,861	3,25,063
Total	1,25,31,198	1,18,97,740

Particulars	31.03.2011	31.03.2010
Deferred Tax Assets		
On account of expenditure charged @ 100% in the books and amortised in computation	12,26,187	9,90,145
Expenditures disallowed u/s 43B	9,04,686	2,83,273
Deferred Tax Liabilities (Net)	1,04,00,325	1,06,24,322

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

Debtors outstanding includes amount of Rs.1860.24 lacs recoverable from Koutons Retail India Ltd (KRIL). Some creditors are reported to have approached the Delhi High Court to recover their dues. However, the Company is negotiating with the management of KRIL for recovery of its dues. The Company is hopeful of being able to realize its entire outstanding and therefore no provision in regard thereto has been made in the accounts.

9. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid / payable as required under the said Act have not been given.

10. Earning per Share (EPS)

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Profit/(Loss) for the year after tax	7,87,79,866	2,18,20,995
Prior period items (Net)	(1,03,807)	14,16,803
Profit /(Loss) including exceptional item	7,86,76,059	2,32,37,798
Exceptional items (net of taxes)	4,25,37,000	-
Profit /(Loss) excluding exceptional item (net of taxes)	3,61,39,059	2,32,37,798
Nominal value per share	10	10
Number of equity shares	1,35,60,000	1,35,60,000
EPS Excluding exceptional item	2.67	1.71
EPS Including exceptional item	5.80	1.71

11. Managerial Remuneration

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Managerial Remuneration for directors	24,00,000	24,00,000
Directors Sitting Fees	80,000	85,000
Total	24,80,000	24,85,000

12. Prior period items

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Advertisement Expenses	4,23,476	-
Income tax liability of earlier year	-	1,76,343
Repairs & Maintenance Charges	2,38,991	19,270
Duties & Taxes	-	21,142
Telephone & Electricity Expenses	-	4,613
Wages	-	39,689
Sales Promotion & Staff Welfare	-	7,058
Professional Fees	-	26,472
Job-work Charges	-	1,19,512
Purchase	-	38,839

Particulars	31.03.2011	31.03.2010
Misc.	-	8,480
Total expenses	6,62,467	4,61,418
Less : Income		
Refund of Income Tax of earlier year	(5,58,660)	-
Reversal of Income Tax Liability of earlier years	-	-
Interest Income pertaining to financial year 2008-2009 accounted in current financial year	-	18,78,221
Prior Period (Income) / Expenses - (net)	1,03,807	(14,16,803)

13. Derivative Instruments

There are no outstanding forward contracts entered into the Company as on 31 March 2011.

The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2011 are as follows:

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Assets (Receivable)	13,46,06,256	4,32,83,896
Liabilities (Payable)	21,70,33,253	14,16,15,424

14. Exceptional Item

During the year the Company has sold shares of joint venture company Aquarelle India Pvt. Ltd. The total gain on sale of said shares Rs. 5,50,00,000/- has been disclosed as exceptional items.

15. Details of Secured Loans

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Cash Credit/Export Credit with Bank of India (PY with ING Vysya Bank Ltd.) (Secured against hypothecation of inventories, book debts and Equitable Mortgage of immovable properties being factory land and buildings/other structures and embedded plant and machinery situated at survey no. 51/1 and 1/1, Kallabalu Village, Jigani Hobli, Anekal Taluka, Bangalore and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang)	6,42,79,683	9,61,76,361
Factoring Credit from The Hongkong and Shanghai Banking Corporation Ltd. (Secured against Equitable Mortgage of immovable properties being factory land and buildings/other structures and embedded plant and machinery situated at survey no. 51/1 and 1/1, Kallabalu Village, Jigani Hobli, Anekal Taluka, Bangalore, Corporate Guarantee of Bang Data Forms Pvt. Ltd. and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang)	3,23,27,055	3,87,49,660
Buyers Credit (Secured against hypothecation of inventories, book debts and Equitable Mortgage of immovable properties being factory land and buildings/other structures and embedded plant and machinery situated at survey no. 51/1 and 1/1, Kallabalu Village, Jigani Hobli, Anekal Taluka, Bangalore to be shared with The HSBC Ltd. In proportion of sanctioned credit facilities and Corporate Guarantee of M/s Bang Data Forms Pvt. Ltd. and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang)	21,51,73,174	12,29,18,786
Car Loan from Kotak Mahindra Prime Ltd and Tata Capital Ltd. (Secured against hypothecation of cars)	56,65,488	11,02,330

16. Demerger of Retail Division

The Hon'ble High Court of Judicature of Bombay has approved the Scheme of Demerger of the Retail Division of Bang Overseas Ltd. ("The Demerged Company") into M/s. Thomas Scott (India) Limited ("the Resulting Company") vide its Order dated July 22, 2011 and the same has been filed with the Registrar of Companies, Maharashtra on August 05, 2011. Pursuant to which, Allotment of 33, 90,000 Equity Shares of Rs. 10/- each fully paid up of the Resulting Company has been considered and approved by the Board of Directors of the Resulting Company on August 29, 2011 as per the Share Exchange Ratio as mentioned in the Scheme (1 Equity Shares of the Resulting Company of Rs. 10/- against every 4 Equity Shares of Rs. 10/- each fully paid up of the Demerged Company). The Company is in process of completing further formalities with respect to the same.

17. Information on Related Party Disclosure

- | | |
|---|--|
| A. Enterprises where control exists.
Subsidiaries | Vedanta Creations Ltd.
Thomas Scott India Ltd.
Bang Europa SRO
Bang HK Limited |
| B. Key Managerial Persons (KMP) | Venugopal Bang (Chairman)
Brijgopal Bang (Managing Director) |
| C. Relatives of Key Managerial Persons | Balaram Bang
Radhadevi Bang
Raghavendra Bang
Girdhargopal Bang
Rajgopal Bang
Nandgopal Bang |
| D. Enterprises owned or significantly influenced by key management personnel or their relatives | Bang Data Forms Pvt. Ltd. |

Disclosure of transaction between the Company and related Parties and status of outstanding balance as on 31st March, 2011

Particulars	Current year	Previous year
Subsidiaries		
Vedanta Creations Ltd.		
Sale of finished goods / raw materials etc.	52,402,800	156,929,928
Sale of DFRC/DFIA Licenses	10,448,172	-
Loan received	110,350,124	-
Loan Repaid	165,419,612	-
Purchase of finished goods / raw materials etc.	-	14,715,593
Outstanding payable as on 31st March 2011	24,495,919	39,446,498
Thomas Scott India Ltd.		
Investment in equity shares	500,000	-
Outstanding as on 31st March 2011	-	-
Bang Europa SRO		
Sale of finished goods / raw materials etc.	2,807,968	-
Investment in equity shares	12,143,500	-
Outstanding receivable as on 31st March 2011	2,903,981	-
Bang HK Limited		
Investment in equity shares	287,500	-
Outstanding as on 31st March 2011	-	-
Jointly Controlled Entity		
Aquarelle India Pvt. Ltd.		
Sale of finished goods / raw materials etc.	-	26,700,442
Sale of capital goods	-	34,439,969
Purchase of finished goods / raw materials etc.	-	1,376,257
Investment in equity shares	-	60,000,000
Rent Received	-	5,220,000

Particulars	Current year	Previous year
Key Managerial Persons (KMP)		
Venugopal Bang		
Loans taken	160,000	1,001,000
Loans repaid	3,760,000	16,831,000
Interest paid	165,107	1,137,806
Outstanding payable as on 31st March 2011	348,705	3,913,890
Brijgopal Bang		
Loans taken	1,600,000	2,400,000
Loans repaid	130,000	355,000
Interest paid	1,641,752	1,213,832
Salary paid	2,400,000	2,400,000
Outstanding payable as on 31st March 2011	16,290,190	13,325,287
Relatives of Key Managerial Persons		
Balaram Bang		
Loans repaid	4,600,000	-
Interest paid	5,937,781	5,521,493
Outstanding payable as on 31st March 2011	51,725,788	51,533,934
Radhadevi Bang		
Interest paid	315,811	285,028
Outstanding payable as on 31st March 2011	2,915,991	2,631,761
Girdhargopal Bang		
Loans repaid	4,035,000	1,843,000
Interest paid	760,285	998,507
Outstanding payable as on 31st March 2011	4,157,483	7,508,226
Rajgopal Bang		
Loans taken	3,500,000	-
Loans repaid	3,500,000	8,030,000
Interest paid	244,054	1,079,763
Outstanding payable as on 31st March 2011	2,195,898	1,976,249
Nandgopal Bang		
Interest paid	5,513	4,976
Outstanding payable as on 31st March 2011	50,903	45,941
Raghavendra Bang		
Loans repaid	-	1,877,677
Interest paid	-	170,688
Outstanding payable as on 31st March 2011	-	-
Taradevi Bang		
Loans repaid	-	2,927,691
Interest paid	-	287,840
Outstanding payable as on 31st March 2011	-	-
Enterprises owned or significantly influenced by key mangement perosnnel or their relatives		
Bang Data Forms Pvt. Ltd.		
Loans taken	16,000,000	10,000,000
Loans repaid	12,000,000	10,659,179
Interest paid	715,562	-
Purchase of finished goods / raw material	-	17,224
Outstanding payable as on 31st March 2011	4,644,006	-

Particulars	Current year	Previous year
Bodywave Fashions (I) Pvt. Ltd.		
Sale of finished goods / raw materials etc.	-	44,028,343
Purchase of finished goods / raw material	-	395,458
Adithya Impex		
Purchase of finished goods / raw material	-	491,715

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 31st August, 2011

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Venugopal Bang

Chairman

Place : Mumbai

Date : 31st August, 2011

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

INFORMATION PURSUANT TO SCHEDULE VI OF THE COMPANIES ACT, 1956.

1 Earnings in foreign currency	<u>2010-2011</u>	<u>2009-2010</u>
Exports at F.O.B. Value	179,045,576	176,587,738
2 Expenditure in foreign currency	<u>2010-2011</u>	<u>2009-2010</u>
Travelling	1,223,083	482,386
Interest on Buyers Credit	2,877,724	2,280,764
	<u>4,100,807</u>	<u>2,763,150</u>
3 Value of imports calculated on CIF basis	<u>2010-2011</u>	<u>2009-2010</u>
Raw materials	36,401,760	64,544,352
Trade Goods	546,612,367	394,232,809
	<u>583,014,127</u>	<u>458,777,161</u>

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

4.1 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		10-11	09-10	10-11	09-10	10-11	09-10
Readymade garment	Pcs	-	-	1,248,000	624,000	* 608,535	* 542,354

*Does not include the garment manufactured no. of 10,44,849 pcs on job work basis from outsiders.

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

5.1 Consumption of raw materials and components

	Unit	2010-2011		2009-2010	
		Qty.	Value	Qty	Value
Fabrics	Mtr.	1,950,412	227,254,293	2,778,736	273,006,956

* 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.

5.2 Imported and indigenous raw materials

	2010-2011		% of total Consumption	2009-2010		% of total Consumption
	Qty (mtrs)	Value		Qty (mtrs)	Value	
Fabrics						
Imported	3,65,099	35,957,113	15.82	470,660	44,620,373	16.34
Indigenous	1,585,313	191,297,180	84.18	2,308,076	228,386,583	83.66
	1,950,412	227,254,293	100	2,778,736	273,006,956	100
Accessories		Value			Value	
Imported	-	666,135	1.50	-	8,346,996	9.53
Indigenous	-	43,689,295	98.50	-	79,267,410	90.47
	-	44,355,430	100	-	87,614,406	100

Financial Year : 2010-2011

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	Opening Stock		Purchase		Consumption		Production		Sales		Closing Stock	
	Unit	Amount	Qty/pcs	Amount	Qty/pcs	Amount	Qty/pcs	Amount	Qty/pcs	Amount	Qty/pcs	Amount
Cotton Fabrics	MTR	79,565,962 (119,416,562)	797,800 (1,235,284)	240,761,275 (259,184,087)	2,072,824 (2,584,737)	216,123,965 (276,212,828)	-	12,664,626 (28,870,480)	84,738 (243,485)	835,474 (797,799)	89,359,695 (79,565,962)	
Accessories		39,601,982 (39,388,058)	-	61,920,162 (88,623,514)	-	44,355,430 (58,601,317)	-	3,303,075 (5,072,504)	-	-	40,929,995 (39,601,982)	
Labour charges (Garments)		152,909	-	56,082,470 (63,430,840)	-	56,088,053 (63,430,840)	-	-	-	-	18,423 (152,909)	
Readymade Shirts & Trousers	PCS	115,615,950 (107,226,216)	433,484 (428,564)	41,913,221 (33,999,297)	140,540 (122,416)	-	1,312,770 (1,810,033)	542,452,204 (657,435,735)	1,360,852 (1,927,529)	525,942 (433,484)	156,519,444 (115,615,950)	
CM Receipts & Scrap Sales	-	-	-	-	-	-	-	21,760,972 (31,503,656)	-	-	-	
Total		234,936,803		400,677,128		316,567,448		580,180,877		286,827,557		
Previous year		(266,030,836)		(445,237,738)		(398,244,985)		(722,882,375)		(234,936,803)		

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

Particulars	Opening Stock		Purchase		Sales		Closing Stock	
	Unit	Amount	Qty/pcs	Amount	Qty/pcs	Amount	Qty/pcs	Amount
Cotton Fabric	MTR	126,064,910 (104,756,767)	1,496,164 (1,391,497)	701,050,688 (541,270,265)	7,230,228 (6,356,047)	844,106,356 (566,448,241)	1,210,915 (1,496,164)	122,181,461 (126,064,910)
Gold	GMS	64,649.29 (64,649)	74.67 (74.67)	-	-	-	74.67 (74.67)	64,649 (64,649)
Cotton Yarn		-	-	1,801,939.00	17,359.50	1,536,360.00	-	-
Trade Accessories		-	-	1,282,000.30	-	947,745.00	-	563,022
Total		126,129,559		704,134,627		846,590,461		122,809,132
Previous year		(104,821,416)		(541,270,265)		(566,448,241)		(126,129,559)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

Registration No.:	L51900MH1992PLC067013	State Code	11
Balance Sheet Date :	31 March 2011		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	15,854.90	Total Assets	15,854.90
Sources of Funds			
Paid up Capital	1,356.00	Reserves & Surplus	9,131.31
Secured Loans	3,174.45	Unsecured Loans	2,089.13
Deffered Tax (Net)	104.00		
Application of Funds			
Net Fixed Assets	2,311.61	Investments	204.58
Net Current Assets	13,323.36	Misc. Expenditures	15.34

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

Total Income	15,201.70	Total Expenditure	14,708.64
Profit Before Tax	1,043.06	Profit After Tax	786.76
Earning per share (Rs.)	5.80	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

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

Rajendra Kumar Gupta
Partner
Membership No.: 9939

Place : Mumbai
Date : 31st August, 2011

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

Venugopal Bang **Brijgopal Bang** **Jalpa H. Salvi**
Chairman Managing Director Company Secretary

Place : Mumbai
Date : 31st August, 2011

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

(Figures in Rs.)

Name of the subsidiary Company	Financial year ending of the subsidiary	Number of equity shares held	Extent of holding	For financial year of the subsidiary (As on 31.03.2011)		For the previous financial years since it became a subsidiary	
				Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company(Except to the extent dealt with in col 6)	Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company.	Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company(Except to the extent dealt with in col 8)	Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Vedanta Creations Ltd.	31/03/2011	284750	100%	6,225,627	-	86,387,285	-
Thomas Scott India Ltd.	31/03/2011	50000	100%	(49,759)	-	-	-
Bang Europa S.R.O.	31/12/2010	200000	100%	98,706	-	-	-
Bang HK Limited	31/12/2010	5000000	100%	-	-	-	-

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

(Figures in Rs.)

Name of Subsidiary Company	Issued and subscribed share capital	Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Vedanta Creations Ltd.	2,847,500	100,655,584	134,915,034	73,535,890	-	337,842,818	8,969,534	2,767,433	6,225,627	-
Thomas Scott India Ltd.	500,000	(49,759)	465,241	15,000	-	-	(49,759)	-	(49,759)	-
Bang Europa S.R.O.	12,648,000	98,706	19,065,980	6,319,274	-	14,936,437	98,706	-	98,706	-
Bang HK Limited	287,500	-	287,500	-	-	-	-	-	-	-

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

Place : Mumbai
Date : 31st August, 2011

Venugopal Bang Chairman
Brijgopal Bang Managing Director
Jalpa H. Salvi Company Secretary

CONSOLIDATED AUDITORS REPORT

To,
The Board of Directors
Bang Overseas Limited

1. We have audited the attached Consolidated Balance Sheet of Bang Overseas Limited ('the Company' or "the Parent Company") and its subsidiaries (collectively referred to as 'the Group') as at March 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These consolidated 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 did not audit the financial statements of foreign subsidiaries i.e. Bang Europa SRO and Bang HK Limited included in consolidated financial statements which constitutes total assets of Rs. 193.53 Lacs and total liabilities Rs. 63.34 Lacs as at 31st March, 2011, total revenue of Rs. 149.36 Lacs, net profit of Rs. 0.98 Lacs for the year then ended has been certified by the Managing Director of the Holding Company.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21 ('AS') - Consolidated Financial Statements notified in the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit of financial statements of the holding and the subsidiary company and on consideration of certificate from management as explained in para 3 above, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - (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
Firm Registration No. : 108373W

Rajendra Kumar Gupta
Partner
Membership No: 9939

Place: Mumbai
Date: 31st August 2011

Consolidated Balance Sheet as at March 31, 2011

Particulars	Schedules	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	135,600,000	135,600,000
Reserves & Surplus	2	1,009,670,179	922,189,440
Loan Funds			
Secured Loans	3	369,950,752	330,038,408
Unsecured Loans	4	208,913,342	200,208,205
Deferred Tax Liabilities		10,368,893	10,584,513
		<u><u>1,734,503,166</u></u>	<u><u>1,598,620,566</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	241,367,824	202,717,842
Less: Depreciation		(62,523,508)	(50,189,654)
Net Block		<u>178,844,316</u>	<u>152,528,189</u>
Capital work-in-progress		<u>54,603,240</u>	<u>74,733,292</u>
		<u>233,447,556</u>	<u>227,261,481</u>
Investments	6	10,000	106,494,666
Current Assets, Loans and Advances			
Inventories	7	463,205,101	399,531,859
Sundry Debtors	8	643,389,025	555,198,537
Cash and Bank Balances	9	450,412,897	374,536,200
Loans and Advances	10	<u>129,975,653</u>	<u>144,471,633</u>
		<u>1,686,982,676</u>	<u>1,473,738,229</u>
Less: Current Liabilities and Provisions			
Current Liabilities	11	165,703,220	207,419,590
Provisions	12	<u>21,768,159</u>	<u>6,596,029</u>
		<u>187,471,379</u>	<u>214,015,619</u>
Net Current Assets		1,499,511,297	1,259,722,610
Miscellaneous Expenses to the extent not written off or adjusted	13	<u>1,534,313</u>	<u>5,141,809</u>
		<u><u>1,734,503,166</u></u>	<u><u>1,598,620,566</u></u>
Notes to Accounts	22		

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

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Venugopal Bang

Chairman

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

Place : Mumbai

Date : 31st August, 2011

Place : Mumbai

Date : 31st August, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

Particulars	Schedule	Year ended 31.03.2011 (Rupees)	Year ended 31.03.2010 (Rupees)
INCOME			
Sales	14	1,724,339,825	1,623,070,124
Other income	15	63,389,806	80,156,675
Increase in inventories	16	58,282,362	20,684,693
		1,846,011,993	1,723,911,491
EXPENDITURE			
Trade Purchases	17	1,118,205,133	809,620,421
Raw Material Consumption	18	285,139,884	457,002,197
Employee Compensation	19	83,495,972	102,375,218
Manufacturing, Administrative, & Selling Expenses	20	225,508,477	224,141,239
Depreciation		15,957,122	17,078,106
Amortisation		3,607,497	4,139,851
Finance Expenses	21	55,269,059	53,485,937
		1,787,183,144	1,667,842,969
Profit /(Loss) for the year before exceptional item:		58,828,849	56,068,522
Exceptional Item (Refer Note B14 of schedule 22)		55,000,000	-
Profit /(Loss) for the year before tax		113,828,849	56,068,522
Provisions : - Current Tax		28,525,000	20,350,000
- Deferred Tax		(231,564)	430,632
Profit /(Loss) for the year after tax		85,535,413	35,287,891
Prior Period Items (Net)		80,281	606,911
Net Profit		85,455,132	34,680,980
Balance Profit Brought Forward from Previous Year		252,041,901	217,360,921
Surplus Carried Over to Balance Sheet		337,497,033	252,041,901
Earning per Share - Basic and Diluted (Refer Note B-9 of Schedule 22)		6.30	2.56
Notes to accounts	22		

The schedules referred to above form integral part of Profit & Loss Account.

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Venugopal Bang

Chairman

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

Place : Mumbai

Date : 31st August, 2011

Place : Mumbai

Date : 31st August, 2011

Consolidated Cash Flow Statement for the year ended March 31, 2011

Particulars	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
A. Cash flow from Operating Activities		
Net profit before taxation	113,324,350	56,068,522
Adjustments for:		
Depreciation	15,957,122	17,078,106
Amortisation	3,607,497	4,139,851
(Profit) / Loss on sale of Fixed Assets	1,022,954	250,352
Fixed Assets Written off	1,909,307	-
Sundry Balances Written off	2,740,863	(5,461,127)
Prior Period	103,807	(1,416,803)
Exchange rate fluctuation gain	(184,085)	(1,112,533)
Bad Debts Written Off	7,212,229	4,764,438
Interest income	(28,848,330)	(17,621,916)
Dividend income	(2,240)	(6,100,504)
(Profit)/Loss on sales of Investements	(5,919,717)	424,564
(Profit)/Loss on sales of Investements included in exceptional item	(55,000,000)	-
Interest expense	41,689,187	44,822,137
Operating profit before Working Capital changes	97,612,944	95,835,086
Decrease / (Increase) in sundry debtors	(145,988,474)	(120,175,973)
Decrease / (Increase) in inventories	(80,929,604)	4,097,635
Decrease/(Increase) loans and advances	20,391,482	(76,071,390)
Increase / (Decrease) in current liabilities	(36,608,149)	35,573,164
Cash generated from operations	(145,521,801)	(60,741,478)
Direct taxes paid	(23,908,859)	(13,698,642)
Net Cash from Operating Activities	(169,430,661)	(74,440,120)
B. Cash flows from Investing activities		
Purchase of Fixed Assets	(63,256,290)	(40,058,751)
Capital work-in-progress	19,583,052	(19,733,292)
Receipt from sale of assets	862,298	32,690,311
Purchase of Investment	(12,931,000)	(166,484,666)
Sale of Investment	227,404,383	-
Interest received	28,848,330	17,621,916
Dividends received	2,240	6,100,504
Net Cash from Investing Activities	200,513,014	(169,863,977)
C. Cash flows from Financing Activities		
Proceeds from issuance of share capital	13,435,500	9,725,000
Unsecured Loans	8,705,137	7,218,998
Car Loan finance	4,563,158	934,534
Proceeds from long-term borrowings	-	(9,434,100)
Proceeds from working capital borrowing	65,993,323	55,462,147
Share premium received (Net of share issue expenses)	-	43,900,000
Interest paid	(41,689,187)	(44,822,137)
Net cash from Financing Activities	51,007,931	62,984,441
Net increase in cash and cash equivalents (A + B + C)	82,090,284	(181,319,656)
Cash and cash equivalents at the beginning of the year	368,322,613	555,855,857
Cash and cash equivalents at the end of the year	450,412,897	374,536,200

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 31st August, 2011

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Venugopal Bang

Chairman

Place : Mumbai

Date : 31st August, 2011

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2010 (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 1,35,60,000 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	135,600,000
	135,600,000	135,600,000
Schedule 2 : Reserves & Surplus		
Capital Reserve on Consolidation	12,347,600	12,347,600
General Reserve	4,915,173	4,915,173
Securities Premium Account		
Balance as per last account :	675,902,268	675,902,268
Addition During the year		
	675,902,268	675,902,268
Profit & Loss Account	337,497,033	252,041,901
Less : Elimination of profit on consolidation	20,991,895	23,017,502
	1,009,670,179	922,189,440
Schedule 3 : Secured Loans (Refer note - B13 of Schedule 22)		
Cash / Export Credit	97,458,607	122,211,828
Factoring Credit	32,327,055	50,269,872
Working Capital Term Loan	-	10,049,315
Buyers Credit	234,499,602	146,405,063
HDFC Bank Car Loan	5,665,488	1,102,330
	369,950,752	330,038,408
Schedule 4 : Unsecured Loans		
From Promoters & Promoter Group	172,869,192	162,664,114
From Directors	14,874,013	14,652,375
Interest accrued and due on unsecured loan	21,170,137	22,891,716
	208,913,342	200,208,205

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

Schedule 5 : Fixed Assets

(Figures in Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	As at 1/4/2010	Addition	Deduction	As at 31/03/2011	Up to 1/4/2010	For the Year	Depreciation Adjustment	Up to 31/03/2011	As at 31/03/2011	As at 31/03/2010
A. Assets										
Plant & Machinery	56,197,903	22,148,476	12,470,589	65,875,790	9,745,340	2,533,714	1,218,684	11,060,370	54,815,420	46,452,564
Office equipment	6,292,145	1,332,068	814,425	6,809,788	1,849,163	545,396	73,014	2,321,545	4,488,243	4,442,981
Furniture	45,868,088	8,247,503	6,700,800	47,414,791	15,400,930	5,240,713	1,163,172	19,478,471	27,936,320	30,467,158
Computer system	16,731,498	1,861,520	1,556,839	17,036,179	10,461,059	2,056,906	285,438	12,232,527	4,803,652	6,270,439
Vehicles	6,329,076	8,003,323	1,950,075	12,382,324	2,331,689	1,416,892	600,796	3,147,785	9,234,539	3,997,386
Factory Building	48,035,134	-	-	48,035,134	7,048,062	1,933,586	-	8,981,648	39,053,486	40,987,072
Land	6,604,618	-	-	6,604,618	-	-	-	-	6,604,618	6,604,618
Building	132,270	19,762,443	-	19,894,713	9,678	203,218	-	212,896	19,681,817	122,592
Lease Hold Improvement	16,527,111	1,900,957	1,113,581	17,314,487	3,343,733	2,026,699	282,165	5,088,267	12,226,220	13,183,378
Total	202,717,843	63,256,290	24,606,309	241,367,824	50,189,654	15,957,123	3,623,269	62,523,508	178,844,315	152,528,189
B. Capital work-in-progress										
Total	202,717,843	63,256,290	24,606,309	241,367,824	50,189,654	15,957,123	3,623,269	62,523,508	233,447,555	227,261,481
Previous year 09-10	204,544,473	40,058,751	41,885,380	202,717,842	42,041,791	17,078,106	8,930,243	50,189,654	152,528,189	

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
Schedule 6 : Investments		
Long Term Investments (At cost)		
a) Investment in non trade securities - Unquoted		
1000 (Previous Year 1000) fully paid equity shares of Saraswat Co-op. Bank Ltd., Of Rs. 10 each	10,000	10,000
b) Investment in Mutual Funds		
Nil (Previous Year 7923819) units of Templeton Floating Rate Income Fund	-	106,484,666
	<u>10,000</u>	<u>106,494,666</u>
 Schedule 7 : Inventories		
(As taken, Valued & Certified by the Management)		
Raw materials and components	131,451,361	122,137,838
Work-in-progress	6,074,301	12,913,091
Finished goods	154,702,810	114,910,989
Tarde goods	<u>170,976,630</u>	<u>149,569,941</u>
	<u>463,205,101</u>	<u>399,531,859</u>
 Schedule 8 : Sundry Debtors		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	244,269,623	267,148,564
Other Debts	<u>399,119,402</u>	<u>288,049,973</u>
	<u>643,389,025</u>	<u>555,198,537</u>
 Schedule 9 : Cash and Bank Balances		
Cash on hand	1,286,956	1,224,234
Balances with scheduled banks : in Current Account	12,151,315	3,672,592
: in Fixed Deposit Account	<u>436,974,626</u>	<u>369,639,375</u>
	<u>450,412,897</u>	<u>374,536,200</u>
 Schedule 10 : Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	15,219,543	33,916,993
Advances to Staff	1,102,048	523,881
Balances with Government Authorities	5,441,437	2,387,947
Advance Tax & T.D.S. (Net of provisions)	1,313,801	19,016,887
Advances towards purchase of goods / services	84,886,275	66,270,102
Deposits	<u>22,012,549</u>	<u>22,355,823</u>
	<u>129,975,653</u>	<u>144,471,633</u>

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
Schedule 11 : Current Liabilities		
Sundry creditors		
Creditors for goods	81,979,060	124,288,660
Creditors for others	52,410,115	51,878,403
Subsidiary Company	-	-
Advances from buyer's	479,720	484,984
Sundry Deposits	18,263,772	24,657,855
Interest accrued but not due on loans	1,049,087	61,879
Duties & Taxes	11,521,466	6,047,810
	165,703,220	207,419,590
 Schedule 12 : Provisions		
Provision for taxation (Net of advance payments)	7,423,674	4,715,263
Provision for Fringe Benefit Tax (net of advance payments)	13,802	649
Provision for Wealth Tax	50,000	-
Provision for Excise Duty Payble	13,801,737	-
Provision for gratuity	478,946	1,880,117
	21,768,159	6,596,029
 Schedule 13 : Miscellaneous Expenditures		
Brand Development Expenses	1,534,313	4,447,361
Pre-operative expenses of new project	-	694,449
	1,534,313	5,141,809

Schedules forming part of Consolidated Profit and Loss Account for the year ended March 31, 2011

Particulars	2010-2011 Rupees	2009-2010 Rupees
Schedule 14 : Sales		
Domestic Sales		
- Trade Goods	1,057,991,629	763,571,972
- Manufactured goods	505,849,495	527,030,614
Export Sales		
- Trade Goods	145,621,397	49,007,825
- Manufactured goods	48,327,099	293,781,656
	1,757,789,619	1,633,392,067
Less : Inter Department Transfer :	(55,210,768)	47,048,279
Net Sales :	1,702,578,851	1,586,343,788
- Jobwork Charges / Scrap Sales	21,760,974	36,726,336
Total Sales	1,724,339,825	1,623,070,124
Schedule 15 : Other Income		
Interest on Deposits	26,870,323	17,621,916
Rent Received	13,143,600	12,110,183
Dividend	2,240	6,100,504
Duty Drawback	7,103,837	10,631,813
Foreign Exchange Gain	6,899,598	27,925,171
Profit on Sale of Investment	5,919,717	-
Interest Other	1,978,007	-
Sundry Balances Written Off	774,799	5,461,126
Miscellaneous Income	697,685	305,961
	63,389,806	80,156,675
Schedule 16 : Increase in Inventories		
Inventories at beginning of the year		
- Trade goods	149,569,942	138,891,198
- Work-in-progress	10,363,824	11,884,454
- Finished goods	113,537,612	105,933,676
	273,471,378	256,709,329
	(A)	
Inventories at closing of the year		
- Trade goods	170,976,630	149,569,941
- Work-in-progress	6,074,301	12,913,091
- Finished goods	154,702,810	114,910,989
	331,753,741	277,394,021
	(B)	
	(A - B)	
	58,282,362	20,684,693
Schedule 17 : Trade Purchases		
Trade Purchases	1,099,868,489	753,152,979
Jobwork Charges	73,547,412	103,515,721
Purchases :	1,173,415,901	856,668,700
Less : Inter Department Transfer :	(55,210,768)	47,048,279
Net Purchase	1,118,205,133	809,620,421
Schedule 18 : Raw Material Consumption		
Opening Stock - Raw materials	108,804,120	146,920,167
Add : Purchases - Raw materials	307,787,125	432,219,869
Less : Closing Stock - Raw materials	131,451,361	122,137,838
	285,139,884	457,002,197

Schedules forming part of Consolidated Profit and Loss Account for the year ended March 31, 2011

Particulars	2010-2011 Rupees	2009-2010 Rupees
Schedule 19 : Employee Compensation		
Salaries, wages, and bonus	74,576,628	89,522,249
Contribution to Provident Fund	6,299,726	7,387,093
Gratuity Expenses	508,139	2,608,997
Workmen and staff welfare expenses	2,111,479	2,856,880
	83,495,972	102,375,218
Schedule 20 : Manufacturing, Administrative & Selling Expenses		
Power & Fuel	9,472,247	8,636,759
Freight and forwarding charges	24,410,456	23,948,433
Rent	36,778,205	36,099,555
Rates & Taxes	4,078,965	6,370,182
Insurance Charges	2,461,134	2,499,048
Repairs & Maintenance		
- Plant & Machinery	1,292,502	2,977,084
- Building	346,502	50,829
- Other	7,272,394	7,227,085
Advertising	12,863,179	12,654,693
Sales Promotion	942,528	2,411,779
Brokerage & Sales Commission	47,336,652	46,643,502
Travelling Expenses	7,080,660	8,830,758
Conveyance Expenses	829,801	954,252
Communication Cost	2,912,966	2,892,776
Printing & Stationary	1,852,490	2,480,193
Legal, Professional and Consultancy fees	11,978,948	13,309,583
Directors Sitting Fees	320,000	85,000
Remuneration to Managing Director	2,400,000	4,386,454
Auditor's remuneration		
- Audit fee	115,000	196,330
- Tax Audit fee	70,000	105,000
- Others	112,000	-
Donation	-	25,000
Loss on sale of fixed Assets	1,022,954	250,352
Fixed Assets write off	1,909,307	-
Courier & Postage	2,339,143	4,552,199
Vehical Expenses	769,173	643,719
Packing Material Expenses	1,922,350	1,708,945
Transportation for factory workers	723,041	1,377,726
Washing Charges	2,785,508	6,256,058
Security & Service Charges	9,482,314	8,292,124
Bad Debts	7,212,229	4,764,438
Excise Duty on Closing Stock	13,801,737	
Loss on sale of Investments	-	424,564
Miscellaneous Expenses	8,614,094	13,086,823
	225,508,477	224,141,239
Schedule 21 : Finance Expenses		
Interest		
- On term loans	-	82,388
- On working capital loan	17,084,249	18,424,554
- On Others	24,604,938	23,701,291
Bank Charges	13,579,872	11,277,705
	55,269,059	53,485,937

SCHEDULE 22

NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of Financial Statements

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

2. Principles of Consolidation

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

3. Use of Estimate

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

4. Fixed Assets

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

Depreciation

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

Impairment

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

5. Intangible Assets

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

6. Leases

Where the Company is the lessee

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

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

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

Where the Company is the lessor

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

7. Government grants and subsidies

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

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

8. Investments

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

9. Inventories

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

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

10. Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest

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

(iii) Dividends

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

11. Foreign Exchange Transaction

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

12. Employee benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the statutory authority are due.

- ii. Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

13. Current Tax and Deferred Tax

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- (ii) Deferred tax resulting from timing difference between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

14. Earning per share

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

15. Cash Flow Statement

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

16. Provision, Contingent Liabilities and Contingent Assets

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

B. NOTES ON ACCOUNTS:

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

2. Segment Reporting:

a. Primary Segment:

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

b. Secondary Segment (By Geographical Segment):

(Figures in Rs)

Particulars	India	Outside India	Total
Sales	153,03,57,812	19,39,82,013	172,43,39,825
	(111,27,42,879)	(17,65,87,738)	(128,93,30,617)
*Segment Assets	61,73,96,838	2,59,92,187	64,33,89,025
	(42,88,45,291)	(1,32,85,463)	(44,21,30,754)

(Figures in bracket indicate previous year's figures)

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

3. Operating Lease Arrangements:

a. As lessee:

Rental expenses of Rs. 3,63,51,335/- (P.Y. Rs. 3,60,99,555) in respect of obligation under operating leases have been recognized in the profit and loss account.

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

(Figures in Rs)

	31.03.2011	31.03.2010
Due not later than one year	1,11,91,242	2,00,94,420
Due later than one year but not later than five years	72,92,276	5,01,36,037
Later than five years	NIL	NIL

The above figures include:

- i. Lease rentals calculated based on estimated date of commencement of lease in cases where the

agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.

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

b. As lessor:

Rental Income recognized in the Profit & Loss account during the year Rs. 131,43,600/- (Previous Year Rs. 121,10,183) relating lease arrangements. .

4. Employee benefit plan:

The Company has recognized Rs. 5,08,139/- (PY Rs. 26,08,997/-) in the Profit and Loss Account for the year ended 31st March 2011 under defined contribution plans.

- (a) Expenses recognized in Profit & Loss Account for the year ended 31 March 2011:

(Figures in Rs.)

	2010-2011	2009-2010
Current service cost	7,52,068	7,61,694
Interest cost	1,77,272	91,938
Expected return on Assets	(1,19,794)	(24,289)
Actuarial (gains) / losses	3,01,407	1,91,045
Past service cost	-	-
Net expenses	5,08,139	10,20,388

- (b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2011:

(Figures in Rs.)

	As at 31 March 2011	As at 31 March 2010
Defined benefit obligation	28,57,209	22,15,897
Fair value of plan assets	23,78,263	9,80,685
Fund status [Surplus/(Deficit)]	4,78,946	12,35,212
Net Assets / (Liability)	(4,78,946)	(12,35,212)

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

(Figures in Rs.)

	2010-2011	2009-2010
Opening defined benefit obligation	22,15,897	11,71,173
Current service cost	7,52,068	7,61,694
Interest cost	1,77,272	91,938
Benefit paid	-	-
Actuarial (gains) / Losses	(2,88,028)	1,91,045
Closing defined benefit obligation	28,57,209	22,15,897

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

(Figures in Rs.)

	2010-2011	2009-2010
Fair Value of Plan Assets at the beginning of the period.	9,80,685	-
Expected Return on Plan Assets	1,19,794	24,289
Actuarial (gains) / Losses	13,379	47
Assets distributed on settlements	-	-
Actual Company Contributions less Risk Premium	12,64,405	9,56,349
Benefit Payments	-	-
Fair Value of the assets	23,78,263	9,80,685

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

(Figures in Rs.)

Assumption	As at 31 March 2011	As at 31 March 2010
Discount rate	8%	8%
Expected return on assets	8%	0%
Salary Increase	6%	3%
Withdrawal rates	2%	2%
Mortality table	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	

- (f) The principal actuarial assumptions used in determining gratuity liability of subsidiary Company is as follows:

(Figures in Rs.)

Assumption	31 March 2011	31 March 2010
Discount rate	7.85%	7.85%
Expected return on assets	0.00%	0.00%
Salary Increase	5.00%	5.00%
Withdrawal rates	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	

5. Contingent Liabilities

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Bank Guarantees & Counter Guarantees	16,30,000	1,24,54,000
Letter of credit	8,18,92,786	8,45,71,868
Export Obligation	3,52,21,146	8,61,47,103
Corporate Guarantee	10,00,00,000	7,00,00,000
Total	21,87,43,932	25,31,72,971

6. 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:

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Deferred Tax Liabilities		
On account of difference in Tax and Book Depreciation	1,16,57,905	1,20,55,374
On account of expenditure allowed on payment basis e.g. Contribution paid to Gratuity Fund Manager	8,41,861	3,25,063
Total	1,24,99,766	1,23,80,437
Deferred Tax Assets		
On account of expenditure charged @ 100% in the books and amortised in computation	12,26,187	9,90,145
Expenditures disallowed u/s 43B	9,04,686	8,05,780
Deferred Tax Liabilities (Net)	1,03,68,893	1,05,84,512

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

8. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the year end together with interest paid / payable as required under the said Act have not been given.

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

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Profit/(Loss) for the year after tax	8,55,35,413	3,52,87,891
Prior period items (Net)	80,281	6,06,911
Profit /(Loss) including exceptional item	8,54,55,132	3,46,80,980
Exceptional items (net of taxes)	4,25,37,000	-
Profit /(Loss) excluding exceptional item (net of taxes)	4,29,18,132	3,46,80,980
Nominal value per share	10	10
Number of equity shares	1,35,60,000	1,35,60,000
EPS Excluding exceptional item	3.17	2.56
EPS Including exceptional item	6.30	2.56

10. **Managerial Remuneration**

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Managerial Remuneration for directors	26,40,000	43,86,454
Directors Sitting Fees	80,000	85,000
Total	27,20,000	44,71,454

11. **Prior period items**

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Advertisement Expenses	4,23,476	-
Income tax liability of earlier year	-	21,91,589
Transport Charges	-	-
Repairs & Maintenance Charges	2,38,991	19,270
Duties & Taxes	-	21,142
Telephone & Electricity Expenses	-	4,613
Wages	-	48,157
Sales Promotion & Staff Welfare	-	7,058
Professional Fees	-	26,472
Job-work Charges	-	1,19,512
Purchase	-	38,839
Misc.	-	8,480
Total expenses	6,62,467	24,85,132
Less : Income		
Refund/ Reversal of Income Tax Liability of earlier years	(5,82,186)	-
Interest Income pertaining to financial year 2008-2009 accounted in current financial year	-	18,78,221
Prior Period (Income) / Expenses - (net)	80,281	(6,06,911)

12. **Derivative Instruments**

There are no outstanding forward contracts entered into the Company as on 31 March 2011.

The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2011 are as follows:

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Assets (Receivable)	13,17,02,275	8,05,91,506
Liabilities (Payable)	23,64,23,417	16,60,87,271

13. Details of Secured Loans

(Figures in Rs.)

Particulars	31.03.2011	31.03.2010
Bang Overseas Ltd. (Parent Company)		
Cash Credit/Export Credit with Bank of India (PY with ING Vysya Bank Ltd.) (Secured against hypothecation of inventories, book debts and Equitable Mortgage of immovable properties being factory land and buildings/other structures and embedded plant and machinery situated at survey no. 51/1 and 1/1, Kallabalu Village, Jigani Hobli, Anekal Taluka, Bangalore and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang)	6,42,79,683	9,61,76,361
Factoring Credit from The Hongkong and Shanghai Banking Corporation Ltd. (Secured against Equitable Mortgage of immovable properties being factory land and buildings/other structures and embedded plant and machinery situated at survey no. 51/1 and 1/1, Kallabalu Village, Jigani Hobli, Anekal Taluka, Bangalore, Corporate Guarantee of Bang Data Forms Pvt. Ltd. and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang)	3,23,27,055	3,87,49,660
Buyers Credit (Secured against hypothecation of inventories, book debts and Equitable Mortgage of immovable properties being factory land and buildings/other structures and embedded plant and machinery situated at survey no. 51/1 and 1/1, Kallabalu Village, Jigani Hobli, Anekal Taluka, Bangalore to be shared with The HSBC Ltd. In proportion of sanctioned credit facilities and Corporate Guarantee of M/s Bang Data Forms Pvt. Ltd. and personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang)	21,51,73,174	12,29,18,786
Car Loan from Kotak Mahindra Prime Ltd and Tata Capital Ltd. (Secured against hypothecation of car)	56,65,488	11,02,330
Vedanta Creations Ltd. (Subsidiary Company)		
Cash Credit from Bank of India (PY from The HSBC Ltd)	3,31,78,924	19,20,227
Buyers Credit	1,93,26,428	2,34,86,277
Receivable Factoring loan from The Hongkong and Shanghai Banking Corporation Ltd	-	49,91,315
Short term loan from The Hongkong and Shanghai Banking Corporation Ltd	-	1,00,49,315
(All the above loans are Secured against hypothecation of inventories, book debts, personal guarantee of Directors Mr. Venugopal Bang and Mr. Brijgopal Bang and Corporate Guarantee of Parent Company)		

14. Exceptional Item

During the year the Company has sold shares of joint venture company Aquarelle India Pvt. Ltd. The total gain on sale of said shares Rs. 5,50,00,000/- has been disclosed as exceptional items.

15. Interest in Jointly controlled entity (“JCE”)

During the year, the Company has sold its investment in jointly controlled entity i.e. Aquarelle India Pvt. Ltd. hence the results of JCE has not been considered for consolidation.

16. Information on Related Party Disclosure

A.	Key Managerial Persons (KMP)	Venugopal Bang (Chairman) Brijgopal Bang (Managing Director) Raghavendra Bang (Director) Purshottam Bang (Director)
B.	Relatives of Key Managerial Persons	Balaram Bang Radhadevi Bang Taradevi Bang Raghavendra Bang Girdhargopal Bang Rajgopal Bang Nandgopal Bang
C.	Enterprises owned or significantly influenced by key management personnel or their relatives	Bang Data Forms Pvt. Ltd. Ramchandra Shivnarayan Shree Balaji Fabrics

Disclosure of transaction between the Company and related Parties and status of outstanding balances as on 31st March, 2011

Particulars	Current year	Previous year
Key Managerial Persons (KMP)		
Venugopal Bang		
Loans taken	160,000	1,601,000
Loans repaid	3,760,000	17,431,000
Interest paid	165,107	1,137,806
Rent paid	150,000	60,000
Outstanding payable as on 31st March 2011	498,705	3,913,890
Brijgopal Bang		
Loans taken	1,600,000	2,400,000
Loans repaid	130,000	355,000
Interest paid	1,641,752	1,213,832
Salary paid	2,400,000	2,400,000
Outstanding payable as on 31st March 2011	16,290,190	13,325,287
Relatives of Key Managerial Persons		
Balaram Bang		
Loans repaid	4,600,000	-
Interest paid	5,937,781	5,521,493
Rent paid	150,000	60,000
Outstanding payable as on 31st March 2011	51,875,788	51,533,934
Radhadevi Bang		
Interest paid	315,811	285,028
Outstanding payable as on 31st March 2011	2,915,991	2,631,761
Girdhargopal Bang		
Loans repaid	4,035,000	1,843,000
Interest paid	760,285	998,507
Outstanding payable as on 31st March 2011	4,157,483	7,508,226
Rajgopal Bang		
Loans taken	3,500,000	-
Loans repaid	3,500,000	8,030,000
Interest paid	244,054	1,079,763
Outstanding payable as on 31st March 2011	2,195,898	1,976,249

Particulars	Current year	Previous year
Nandgopal Bang		
Interest paid	5,513	4,976
Outstanding payable as on 31st March 2011	50,903	45,941
Raghavendra Bang		
Loans repaid	-	1,877,677
Interest paid	-	170,688
Salary paid	240,000	126,000
Outstanding receivable as on 31st March 2011	2,500	-
Taradevi Bang		
Loans repaid	-	2,927,691
Interest paid	-	287,840
Outstanding payable as on 31st March 2011	-	-
Enterprises owned or significantly influenced by key magement perosnnel or their relatives		
Bang Data Forms Pvt. Ltd.		
Loans taken	16,000,000	10,000,000
Loans repaid	12,000,000	10,659,179
Interest paid	715,562	-
Purchase of finished goods / raw material	-	25,922
Outstanding payable as on 31st March 2011	4,644,006	-
Bodywave Fashions (I) Pvt. Ltd.		
Sale of finished goods / raw materials etc.	-	44,028,343
Purchase of finished goods / raw material	-	395,458
Adithya Impex		
Purchase of finished goods / raw material	-	491,715
Ramchandra Shivnarayan		
Sale of finished goods / raw material	5,340	3,750
Outstanding receivable as on 31st March 2011	4,197	-
Shree Balaji Fabrics		
Sale of finished goods / raw material	387,002	171,821
Loan taken	4,280,000	-
Loan repaid	4,280,000	-
Outstanding receivable as on 31st March 2011	-	-

As per our report of even date

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No:108373W

Rajendra Kumar Gupta

Partner

Membership No.: 9939

Place : Mumbai

Date : 31st August, 2011

For and on behalf of Board of Directors

BANG OVERSEAS LTD.

Venugopal Bang

Chairman

Place : Mumbai

Date : 31st August, 2011

Brijgopal Bang

Managing Director

Jalpa H. Salvi

Company Secretary

NOTES



NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of BANG OVERSEAS LTD. will be held on Friday, 30th September, 2011 at 09:45 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 of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended as on that date together with the Reports of the Directors' & Auditor's thereon.
2. To appoint a Director in place of Dr. M.K. Sinha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Viswanath Cheruvu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Rajendra K Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company and to authorize the Board/Audit Committee to fix their remuneration.

SPECIAL BUSINESS:

5. **RE-APPOINTMENT OF MR. BRIJGOPAL BANG AS THE MANAGING DIRECTOR OF THE COMPANY & FIX HIS REMUNERATION:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

“RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Brijgopal Bang, as the Managing Director of the Company, for a period of five years with effect from 01/12/2011 to 30/11/2016 on the terms & conditions including the remuneration as are set out hereunder:

Particulars	Remunerations
Salary	Rs. 2,00,000/- per month (Basic Salary and annual increase therein to be decided by the Board of Directors within the above ceiling)
Special Allowance	As may be decided by the Board from time to time which shall not include Provident Fund, Gratuity, Superannuation Fund etc.
Provident Fund, Superannuation Fund, Gratuity, Earned Leave	As per the Rules and Regulations of the Company
Leave Travel Concession	For Self & Family, subject to maximum of once in a year, in India.
Reimbursement of Expenses	He shall also be entitled to reimbursement of all actual expenses or charges, including travel, entertainment and other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

RESOLVED FURTHER THAT the terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any statutory modification/s, amendments/re-anactment(s) made thereof in this regard and as may be agreed to by the Board of Directors and the Managing Director

RESOLVED FURTHER THAT where in any financial year the Company has no profits or if its profits are inadequate, the Company may pay remuneration by way of salary, perquisite, other allowances etc. to Mr. Brijgopal Bang not exceeding the limits specified under Part II, Section II of Schedule XIII to the Companies Act, 1956

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and/or Ms. Jalpa H. Salvi, Company Secretary & Compliance Officer of the Company be and are hereby independently authorized to do all such acts, deeds and things as it may in its absolute discretion, deem necessary or desirable in this regard.”

6. REALLOCATION OF THE UNUTILIZED ISSUE PROCEEDS OF RS. 2956 LAKHS I.E. IN PART OR FULL:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

“**RESOLVED THAT** pursuant to Section 61 other applicable provisions of Companies Act, 1956, provisions of other applicable laws, rules and regulations (including any statutory modification or reenactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Company to reallocate the Unutilized Issue Proceeds of Rs. 2956 lakhs in part or full, arising out of the issue of Equity Shares allotted pursuant to the Prospectus dated February 5, 2008 filed by the Company with the Registrar of Companies, Maharashtra, Mumbai in the following manner for the use of any of the following purpose/s:

- (a) Reallocate the entire balance unutilized issue proceeds amounting to Rs.275.49 Lakhs which were specifically allocated for setting up of Apparel Manufacturing Unit in the State of Karnataka and Andhra Pradesh to be now utilized for either of the objects detailed in clause (f) herein below;
- (b) Reallocate the entire balance unutilized issue proceeds amounting to Rs. 1308.18 Lakhs which were specifically allocated for setting up of Apparel Manufacturing Unit at Visakhapatnam, Andhra Pradesh to be now utilized for either of the objects detailed in clause (f) herein below;
- (c) Reallocate the entire balance unutilized issue proceeds amounting to Rs. 625.69 Lakhs which were specifically allocated for Entering into Joint Venture/Acquisition of existing set up in India or elsewhere, which are engaged in the Similar Business to be now utilized for either of the objects detailed in clause (f) herein below;
- (d) Reallocate the entire balance unutilized issue proceeds amounting to Rs. 400 Lakhs which were specifically allocated for Warehousing and Logistics Facilities to be now utilized for either of the objects detailed in clause (f) herein below;
- (e) Reallocate the entire balance unutilized issue proceeds amounting to Rs. 346.59 Lakhs which were specifically allocated for setting up of Design, Display and Sampling Unit to be now utilized for either of the objects detailed in clause (f) herein below;
- (f) Details of the objects referred to in clause (a) (b) (c) (d) and (e) aforesaid:

(In Lakhs)

Particulars	Amount
Setting up of Manufacturing Units	2956
Expansion of the Existing Business	
To enter in Joint Venture/Acquisition of the existing set-up in India or abroad, engaged in the similar business	
Warehousing and Logistic Facilities	
Working Capital Requirements	
General Corporate Purpose	
TOTAL	

RESOLVED FURTHER THAT the aforesaid Objects be attained by December 31, 2012

RESOLVED FURTHER THAT the consent of members as required under Section 61 of the Companies Act, 1956 and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), if any, be and is hereby granted to the Board of Directors of the Company to delete, add, amend or in any way vary any or all items and conditions of the documents / agreements / contracts / objects of the use of IPO funds as specified in the Prospectus, dated February 5, 2008 issued by the Company and resolution passed by the members on the 17th Annual General Meeting held on September 30, 2009 and further do ratify the act/omission/delay of Board of Directors to any such variations made since the date of issue of the said prospectus

RESOLVED FURTHER THAT the Board of Directors or Committee of the Board be and are hereby authorized flexibility in deploying the Proceeds received by the Company from the said issue and to determine the composition and schedule of deployment of the investment based on the progress of the development of the Projects

RESOLVED FURTHER THAT Board of Directors or Committee of the Board be and are hereby authorized to invest the issue funds, pending utilization for the purpose as described in the Prospectus, in principal protected fund, derivative linked debt instrument, liquid funds, mutual funds, other fixed and variable instruments, Inter Corporate Deposits, index based debt instruments, rated and unrated debentures and bonds and any other interest bearing instruments.

RESOLVED FURTHER THAT any Director of the Company and/or Ms. Jalpa H. Salvi, Company Secretary and Compliance Officer of the Company be and are independently authorized to do all such acts, deeds, matters, things, sign forms, deeds, documents, agreements, contracts, undertakings, confirmations, declarations, letters, such other papers and to take such steps as may be necessary, desirable and expedient to give effect to this resolution.”

By Order of the Board of Directors

**JALPA HARSHAD SALVI
COMPANY SECRETARY**

**Place: Mumbai
Date: August 31, 2011**

Registered Office:
Masjid Manor, 2nd Floor,
16 Homi Modi Street,
Fort, Mumbai- 400 023

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 PROXIES 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 Wednesday, 28th September, 2011 to Friday, 30th September, 2011 (both days inclusive).
3. The Members are requested to notify their change of address along with their pin code 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 holding shares in dematerialised form are required to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
6. 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.
7. 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 in order to enable the Company to compile the information and provide replies at the meeting, if the Chairman permits such information to be furnished.
8. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
9. A Body Corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 187 of the Companies Act, 1956.
10. Members can address their queries to the Company at investors@banggroup.com.
11. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

12. ADDITIONAL INFORMATION OF DIRECTORS BEING APPOINTED / RE-APPOINTED AT THE ANNUAL GENERAL MEETING AS PER CLAUSE 49 IV G (i) OF THE LISTING AGREEMENT

The details pertaining to Directors liable to retire by rotation and eligible for re-appointment as required to be provided pursuant to Clause 49 IV G (i) of the Listing Agreement with Stock Exchanges is as follows:

Name of Director	Dr. M. K. Sinha	Mr. Viswanath Cheruvu
Date of Birth		
Date of Appointment	12.03.2007	12.03.2007
Expertise in specific function area		
Qualifications	Doctorate in Operational Research & Masters in Mathematics.	B.Com., F.C.A.
Directorships held in other Indian public limited companies as on 31st March 2011	4 (Four) 1. Jhaveri Flexo India Limited 2. Amines & Plasticizers Limited 3. Radaan Media Woks Limited 4. First Winner Industries Limited	1 (One) 1. Vedanta Creations Limited
Chairman / Member of the Committee of Board of Directors of the Company as on 31st March, 2011	1. Audit Committee - Member 2. Remuneration Committee - Chairman	1. Audit Committee - Chairman 2. Remuneration Committee - Member
Chairman / Member of Committees of Board of Directors of other Indian public limited Companies as on 31st March, 2011	1. Jhaveri Flexo India Limited - Chairman (Audit Committee) 2. First Winner Industries Limited - Chairman (Audit Committee) 3. First Winner Industries Limited - Member (Remuneration Committee) 4. First Winner Industries Limited - Member (Shareholders/Investors Grievance Committee) 5. Radaan Media Works Limited - Member (Audit Committee) 6. Radaan Media Works Limited - Chairman (Remuneration Committee)	NIL
No. of Shares held in the Company as on 31st March, 2011	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

REAPPOINTMENT OF MR. BRIJGOPAL BANG AS THE MANAGING DIRECTOR OF THE COMPANY AND TO APPROVE HIS REMUNERATION:

The Members at the Extra Ordinary General Meeting of the Company held on December 20, 2006, appointed Mr. Brijgopal Bang was appointed as Managing Director of our Company w.e.f. December 1, 2006 for a period of 5 Years which is due for renewal on November 30, 2011.

In the Board Meeting held on August 31, 2011, the Board of Directors had subject to the approval of the shareholders, approved the Re-appointment and Remuneration as recommended by the Remuneration Committee payable to Mr. Brijgopal Bang, Managing Director of the Company.

The appointment of Mr. Brijgopal Bang as the Managing Director of the Company would be governed by Sections 269, 317, Part I of the Schedule III and any other applicable provisions of the Companies Act, 1956.

The Remuneration payable to the Managing Director has been approved by the Remuneration Committee of the Directors.

This statement may also be treated as a Memorandum issued pursuant to Section 302 of the Companies Act, 1956.

Item No. 6

REALLOCATION OF THE UNUTILISED PROCEEDS OF ISSUE

The members at the Extra Ordinary General Meeting of the Company held on May 28, 2007 had approved the Initial Public Offer ("IPO") of the equity shares of the Company. Accordingly, the Company had made the IPO through 100% book building route.

The IPO of the Company was planned with certain objects, while the main objective of raising funds through this issue was setting up retail outlets across India, brand building, setting up a new apparel manufacturing unit at Kolar District in the state of Karnataka and Warehousing and Logistic facilities as more particularly stated and described under section titled "Objects of the Issue" in the prospectus dated February 5, 2008. The said objects were to be attended by September 30, 2009. However, The Members of the Company at the Annual General Meeting held on September 30, 2009 inter-alia accorded their consent to reallocate the unutilized funds and modify the Objects of the Issue not earlier considered in the Prospectus.

The fund requirement as estimated and stated in the prospectus was based on the then business plan of the Company. In view of the highly competitive and dynamic nature of the Industry in which your Company operates, it had to revise its business plan from time to time and consequently the fund requirement is subject to change.

The particulars of utilization of Issue Proceeds and the other particulars with respect to the same are as follows:

Particulars	As stated in the prospectus	Modification in the AGM Held on 30.09.2009	Utilised upto June 30, 2011
General Corporate Purpose	1016.80	1016.80	1016.75
Setting up of Retail Stores & Brand Building	1063.00	1063.00	1063.00
Setting up of Apparel Manufacturing unit at Kolar District, Maharashtra	3671.00	0.25	0.25
Setting up of Apparel Manufacturing unit at Karnataka and Andhra Pradesh	Nil	1420.00	1144.51
Setting up of Apparel Manufacturing unit at Visakhapatnam, Andhra Pradesh	Nil	1500.00	191.82
Entering into Joint Venture/Acquisition of existing set up In India or elsewhere, which are engaged in the similar business	Nil	750.00	124.31
Warehousing and Logistic facilities	1022.50	400.00	0
Setting up of Design, Display and Sampling Unit	Nil	579.75	233.16
Share Issue Expenses	471.70	515.20	515.20
TOTAL	7245.00	7245.00	4289.00

There has been a drastic change in economic conditions in the country and abroad from the time of IPO and during the previous year till now. Under the conditions of recession, your Company has managed its affairs in the most prudent and efficient manner and has refrained from making investments in volatile and unproductive environment.

With respect to the Initiation of Setting up of Apparel Manufacturing Unit at Vishakhapatnam, Andhra Pradesh, the Company is taking serious efforts to acquire any existing manufacturing unit which will be more economical and will start its operations without gestation period. The Company has already shortlisted a few existing manufacturing units for the acquisition purpose and anyone may be finalized after necessary due diligence.

Your Company estimated a cost of Rs. 579.75 Lakhs towards the Set up of Design, Display and Sampling Unit. However, it has been able to achieve the said object by utilizing Rs. 233.16 Lakhs. Further, the Company has also incorporated two Wholly Owned Subsidiaries based at Slovakia and Hong Kong with considering its Overseas Operations and Total Investment upto June 30, 2011 amounted to Rs. 124.31 Lakhs against the reallocated amount Rs. 750 Lakhs. This has resulted in a substantial cost saving of your Company and could leverage benefits to other existing activities.

The Company will also take necessary steps towards Investment in Warehousing and Logistics Projects after Set up/Acquisition of New Apparel Manufacturing Unit/s.

Your Company has always deployed IPO Proceeds in the most optimal manner. Your Company also has very stable internal accruals which can supplement the objects of the issue. By the proposed reallocation of the issue proceeds your Company will be able to effectively use the funds for the purpose of the business which otherwise are parked in Fixed Deposits/ Mutual Funds.

Your Company's Management is of the opinion that it would be in the interest of your Company to reallocate the balance unutilized issue proceeds for the objects stated in the proposed resolution.

In terms of the provisions of Section 61 of the Companies Act, 1956, a Company cannot vary the terms of a contract referred to in the prospectus except subject to the approval of or except on authority given by the members of the company in a General meeting. In view of the said provisions, consent of the Members is required for extension of time for attainment of the Objects and for reallocation of the issue proceeds as more particularly stated in the resolution.

None of the Directors of the Company are in any way concerned/interested in the above mentioned Resolutions except upto the extent of their shareholding in the Company.

Your Directors recommend the resolutions as set out in Item No.5&6 of the Notice for your approval.

BY ORDER OF THE BOARD OF DIRECTORS

**JALPA HARSHAD SALVI
COMPANY SECRETARY**

**Place: Mumbai
Date: August 31, 2011**

**Registered Office:
Masjid Manor, 2nd Floor,
16 Homi Modi Street,
Fort, Mumbai- 400 023**

BANG OVERSEAS LTD.

Registered Office: Masjid Manor, 11nd floor, 16 Homi Modi Street, Fort, Mumbai-400 023

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint shareholders may obtain additional Attendance Slip on request.

DP ID*	
Client ID*	

Master Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held on Friday, 30th September 2011 at 09:45 A.M. at Maheshwari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai-400 002.

* Applicable for investors holding shares in dematerialised form.

Signature of the Shareholder or proxy



BANG OVERSEAS LTD.

Registered Office: Masjid Manor, 11nd floor, 16 Homi Modi Street, Fort, Mumbai-400 023

DP ID*	
Client ID*	

Master Folio No.	
No. of Shares	

I/We..... of
.....Being a member/members of Bang Overseas Ltd.
hereby appoint.....
of..... or failing
him.....
..... of as
my/our proxy to vote for me/us and on my/our behalf at the 19TH ANNUAL GENERAL MEETING of the
Company to be held on Friday, 30th September 2011 at 09:45 A.M. or at any adjournment thereof.

Signed.....day of.....2011.

Affix a
15 paise
revenue
stamp

*Applicable for investors holding shares in dematerialised form.

NOTE:

1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

