



BANG OVERSEAS Ltd.

ANNUAL REPORT

2011-2012

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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
Mr. Krishnakumar Bang	Non - Executive 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

PRACTICING 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
ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

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

CORPORATE OFFICE

405-406, Kewal Industrial Estate,
Senapati Bapat Marg,
Lower Parel (West)
Mumbai - 400 013.
Tel.: (022) 66607965
Fax: (022) 66607970

REGISTRAR & TRANSFER AGENT

Kary Computershare Pvt.Ltd.
Plot. No. 17-24, Vitthal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel: (91 40) 23431553
Email: Varghese@karvy.com

MANUFACTURING UNITS

Unit No. 1 - NCC
Plot No. 4, Apparel Park
Auto Nagar, Vadlapudi,
Visakhapatnam - 530 046,
India.

Unit No. 2 - FCC
19/2, 9th Main, Basavapura Village,
Begur Hobli, Electronic City Post,
Bangalore - 560 100,
India.

Unit No. 3 - RCC
1941/ A & 2011, Gramathana
Kacharakanahalli,
Hennur Main Road
Bangalore - 560 084

WAREHOUSES

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

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

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

WEBSITE

www.banggroup.com

DIRECTORS' BIOGRAPHY

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.

VENUGOPAL BANG CHAIRMAN AND EXECUTIVE DIRECTOR:

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 of 32 years in Banking and Financial Management services with specialization in project finance, and other related capital market activities. He is a Non-Executive Director of the Company. He serves on the Boards of various Public/Private Limited Companies.

DIRECTORS' REPORT

The Members of BANG OVERSEAS LTD.

Your Director's present with immense pleasure, the TWENTIETH ANNUAL REPORT along with the Audited Statement of Accounts of the Company for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Description	Stand Alone		Consolidated	
	Year Ended 31.03.12	*Year Ended 31.03.11	Year Ended 31.03.12	*Year Ended 31.03.11
Revenue	13723.79	14,267.71	17612.85	17243.40
Other Income	357.78	602.39	370.15	633.90
Total Expenditure	14075.2	14708.60	17987.23	17871.83
Earnings before Interest, Depreciation and Tax (EBIDT)	527.60	1039.82	577.76	1164.74
Less: Interest	397.81	392.24	443.93	416.89
Earnings Before Depreciation And Tax (EBDT)	129.79	647.58	133.83	747.85
Less: Depreciation	123.42	154.52	138.35	159.57
Profit before Tax (PBT)	6.37	493.06	(4.52)	1138.29
Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	16.45	293.7	16.06	303.74
Profit after Tax (PAT)	22.82	786.76	11.53	834.55

**Consequent to transfer of Retail Division of the Parent Company, the financial statements of the Group for the year ended 31 March 2012 does not include the operations of the Retail Division business and is therefore not strictly comparable with the figures of the previous year ended 31 March 2011.*

PERFORMANCE REVIEW

Stand Alone

Your Company has earned a Revenue of Rs. 13723.79 lakhs for the year ended 31st March, 2012. Also, the Total Expenditure of the Company has reduced from Rs. 14708.60 lakhs to Rs. 14075.20 lakhs leading to a reduction of 4.31% as compared to the last year. On account of the economic slowdown and unfavorable situations, the Company's Profit has reduced as compared to the last year but with the business expansion plans, the Management ensures the profit stability in the coming years.

Consolidated

The Consolidated Revenue of the Company has increased from Rs. 17243.40 lakhs in the previous year to Rs. 17612.85 Lakhs this year leading to a 2.14% increase showing a steady and good performance by the Group which has also lead to a very low increase in its Total Expenditure by 0.65% as compared to the previous year. On account of the unfavorable market conditions, your Company has made a profit of Rs. 11.53 lakhs as compares to a profit of 834.55 lakhs in the previous year.

Your Directors are hopeful of achieving 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, 2012 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	1238.75
Setting up of Apparel Manufacturing unit at Visakhapatnam, 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	-
Setting up of Design, Display and Sampling unit	579.75	233.16
Share Issue Expenses	515.20	515.20
Working Capital	-	2861.76
Expansion of Existing Business	-	-
Total Fund Utilized	7245.00	7245.00

Total IPO proceeds of Rs. 7245 lacs have been utilized as per the details mentioned in the above-mentioned table.

*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 had also modified the objects of the issue and reallocated the Unutilized issue Proceeds in its last 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 2012-13. No amount is proposed to be transferred to Reserves.

The Register of Members and Share Transfer Books will remain closed from 27th September, 2012 to 29th September, 2012, both days inclusive. The Annual General Meeting of the Company will be held on 29th September, 2012.

BUSINESS & OPERATIONS:

DOMESTIC:

SPECIAL ECONOMIC ZONE

The Civil Construction for Logistic centre is operational at Visakhapatnam Special Economic Zone (VSEZ) and the Manufacturing process will start in the second phase based on the market conditions. Your Company will soon start the construction at Visakhapatnam (APIDC) on a 1 (one) acre plot of APIDC for Manufacturing and Logistics Activities.

DEMERGER

During the financial year, the Retail Division of your Company under the Brand "THOMAS SCOTT" has got demerged in Thomas Scott (India) Limited ("TSIL"), pursuant to which 3,39,00,000 Equity Shares having face value of Rs. 10/- each of TSIL got listed and traded on The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited on January 30, 2012.

ACQUISITION

Your Company has acquired 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 aforesaid Company is the Subsidiary of your Company as 99.99% stake in the aforesaid Company is held by Bang Overseas Limited. Moreover, your Company’s Plot of APIDC is adjacent to the building of the acquired Company.

OVERSEAS INVESTMENTS/ACQUISITIONS:

Your Company has 2 (Two) Wholly Owned Subsidiaries namely Bang Europa S. R. O. at Slovakia and Bang HK Limited at Hong Kong in order to expand its business activities.

Also, in order to establish a place in International Market by way of formation and acquisition of business set up abroad, Bang HK Limited has incorporated its Subsidiary known as “Bang & Scott LLC” at Macedonia and is planning to remit money to the subsidiary towards its Share Capital.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

SUBSIDIARY COMPANIES:

As on March 31, 2012, the Company has following subsidiaries:

1. Vedanta Creations Limited
2. Bang Europa S.R.O
3. Bang HK Limited
4. Bang & Scott LLC (Step Down Subsidiary)

Pursuant to the Demerger, Thomas Scott (India) Limited, which was earlier a Wholly Owned Subsidiary of the Company, now ceases to be the same on account of the cancellation of the Old Equity Share Capital held by your Company in Thomas Scott (India) 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. Vijay Ajgaonkar 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of the financial condition and results of the operations of the Company for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges., is presented in a separate section forming part of the Annual Report.

STATUTORY AUDITORS

M/s. Rajendra K. Gupta & Associates, Chartered Accountants, the 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.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best corporate governance practices as prevalent globally.

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A Report on the Corporate Governance and Practicing Company Secretary's Certificate on Compliance of Corporate Governance are annexed as a part of this Annual Report for the information of the Shareholder's. The Company has also obtained the requisite certificate from the Managing Director of the Company. The Managing Director's declaration regarding Compliance with Company's Code of Conduct for Directors and Senior Management Personnel forms a part of the Report on Corporate Governance.

PARTICULARS OF EMPLOYEES

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

However, there were no Employees drawing Remuneration more than prescribed under Section 217 (2A) of the Companies Act, 1956. Therefore, your Company is not required to disclose such particulars.

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 2012-13.

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. In the preparation of the annual accounts for the year ended March 31 2012, the applicable Accounting Standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same, if any;
- 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

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 wish to place on record their appreciation for the commitment, dedication, devotion and contribution of the employees of the Company during the year.

Your Directors also express their gratitude to the bankers, government agencies, customers, suppliers, business Associates, shareholders and everyone who is directly or indirectly related to the Company for their co-operation and look forward to their continued support in the future.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-
VENUGOPAL BANG
CHAIRMAN**

PLACE: Mumbai

DATE: August 27, 2012