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BANGOVERSEAS Ltd. ANNUAL REPORT 2012-2013

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INDEX

| Corporate Information | 03 |
|---|----|
| Director' Biography | 04 |
| Director's Report | 05 |
| Report on Corporate Governance | 11 |
| Management and Discussion Analysis | 22 |
| Auditor's Report and Financial Statements | 27 |
| Balance Sheet | 32 |
| Profit & Loss Account | 33 |
| Cash Flow Statement | 34 |
| Notes and Other Details | 35 |
| Statement pursuant to Section 212 of the Companies Act, 1956 | 53 |
| Paraticulars regarding subsidiary Companies in accordance with General Circular 02/2011 dated 8th February 2011 from the Ministry of Corporate Affairs. | 53 |

Consolidated Financial Statements 55

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brijgopal Bang Mr. Raghvendra Bang Mr. Purshottam Bang Mr. Subrata Kumar Dey Dr. Mithilesh Kumar Sinha Mr. Vijay Ajgaonkar Chairman and Managing Director Executive Director Executive Director Independent Director Independent Director Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nishi Vijay Vargiya

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

INTERNAL AUDITORS

FRG & Company, Chartered Accountants, Office no. 303, RatanGalaxie, J. N. Road, Mulund (W), Mumbai 400080 E-mail: rajeshtiwari@frgglobal.com

REGISTERED OFFICE

Masjid Manor, II Floor, 16, Homi Modi Street, Fort, Mumbai – 400 023. Tel.: (022) 22043496

REGISTRAR & TRANSFER AGENT

Karvy Computershare Private Limited Plot No. 17-24 VitthalRao 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.

WAREHOUSES

Rajlaxmi Commercial Complex, Gala No. O -10/11/12, Mane Farm House, Opp. Durgesh Park, Kalher Village, Bhiwandi – 421 302. **Unit No. 2 - FCC** 19/2, 9th Main, Basavapura Village, BegurHobli, Electronic City Post, Bangalore – 560 100, India.

Rajlaxmi Commercial Complex, Gala No.: BD-102/103/107 Opp. Durgesh Park, Kalher Village, Bhiwandi – 421 302. **Unit No. 3 - RCC** # 1941/ A & 2011, Gramathana Kacharakanahalli, Hennur Main Road Bangalore – 560 084

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

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

BANKERS

BANK OF INDIA ORIENTAL BANK OF COMMERCE

CORPORATE OFFICE

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

WEBSITE - www.banggroup.com

DIRECTORS' BIOGRAPHY

BRIJGOPAL BANG – CHAIRMAN & 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.

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, 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.

MR. SUBRATA KUMAR DEY – NON- EXECUTIVE & INDEPENDENT DIRECTOR

Mr. Subrata K. Dey is BA (Hons) and has done MA in Economics. He has experience of 35 years predominantly in areas of Corporate Banking especially for Large, mid-Corporates. He served ING VYSYA BANK LTD from 2001 to 2009 as Regional Head (West). After retirement from ING VYSYA BANK LTD he joined a listed NBFC as Director in Advisory Role in the area of Corporate Finance – Debt Syndication, Structuring, Restructuring, Finance options, etc.

MR. RAGHVENDRA BANG – EXECUTIVE DIRECTOR

Mr. Raghvendra Bang is Commerce Graduate from R A Poddar College, Mumbai University. He has an experience of more than 8 years in the field on Marketing & Finance. He is looking overseas operation of the Company.

MR. PURSHOTTAM BANG - EXECUTIVE DIRECTOR

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

(Rs. In lacs)

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting their 21st Annual Report of the Company together with the Audited Financial Statement for the year ended 31st March 2013.

FINANCIAL RESULTS:

| | Stand Alone | | Consolidated | |
|--|------------------------|------------------------|------------------------|------------------------|
| Description | Year Ended 31.03.13 | Year Ended 31.03.12 | Year Ended 31.03.13 | Year Ended 31.03.12 |
| Revenue | 23659.28 | 13723.79 | 27196.61 | 17612.85 |
| Other Income | 373.85 | 357.78 | 422.35 | 370.15 |
| Total Expenditure | 23120.92 | 13448.79 | 26581.7 | 17278.04 |
| Earnings before Interest, Depreciation and Tax (EBIDT) | 912.21 | 632.78 | 1037.26 | 704.96 |
| Less: Interest | 474.09 | 502.99 | 534.15 | 571.13 |
| Earnings Before Depreciation And Tax (EBDT) | 438.12 | 129.79 | 503.11 | 133.83 |
| Less: Depreciation | 124.92 | 123.42 | 142.58 | 138.35 |
| Profit before Tax (PBT) | 313.2 | 6.37 | 360.53 | -4.52 |
| Tax Provision (Current, Deferred, FBT and Earlier Year adjustment) | 211.65 | -16.45 | 229.68 | -16.06 |
| Profit after Tax (PAT) | 101.55 | 22.82 | 130.85 | 11.54 |

PERFORMANCE REVIEW

Stand Alone

During the year under review, the Company achieved revenue of Rs.23659.28 Lacs as against Rs.13723.79 Lacs in previous year i.e. increase by 72.36% to the corresponding previous year. The Net Profit after Tax to the tune of Rs.101.55 Lacs as against Net Profit of Rs. 22.82 lacs for the corresponding previous financial year i.e increase of 345% to the corresponding previous year. The company has registered good income growth as compared to last year.

Consolidated

During the year under review, the Company achieved revenue of Rs.27196.66 Lacs as against Rs.17612.85 Lacs in previous year i.e. increase by 54.41% to the corresponding previous year. The Net Profit after Tax to the tune of Rs.130.85 Lacs as against Net Profit of Rs. 11.54 Lacs for the corresponding previous financial year i.e increase of 1033.88% to the corresponding previous year.

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 2013-14. No amount is proposed to be transferred to Reserves.

The Register of Members and Share Transfer Books will remain closed from 16th September, 2013 to 22nd September, 2013, both days inclusive. The Annual General Meeting of the Company will be held on 24th September, 2013

BUSINESS OPERATIONS

OVERSEAS INVESTMENTS/ACQUISITIONS

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

Your Company has following subsidiaries during the year under review:

- 1. Vedanta Creations Limited
- 2. Bang Europa S.R.O
- 3. Bang HK Limited
- 4. Bang & Scott LLC (Step Down Subsidiary)
- 5. A.S. Raiment Pvt Ltd.

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

DIRECTOR'S

During the year, Mr. Venugopal Bang, Chairman, resigned from the Board of Directors w.e.f. 14th Febraury, 2013 and Mr. Viswanath Cheruvu, Independent Director, resigned from Board of Directors w.e.f 21st November 2012 and Mr. Subrata Kumar Dey, Mr. Raghvendra Bang and Mr. Purshottam Bang were appointed as Additional Directors w.e.f 14th February 2013. As per Section 260 of the Companies Act, 1956, Mr. Subrata Kumar Dey, Mr. Raghvendra Bang and Mr. Purshottam Bang who are Additional Directors, will cease to hold the office of the Director at the conclusion of the fourthcoming Annual General Meeting. As per Section 257 of the Companies Act, 1956, the Company has recived notices along with deposits from the members proposing the canditatures for the offices of Director of the Company. None of the Directors of the Company is disqualified under Section 274(1)(g) of the Companies Act, 1956. In terms of the provisions of Section 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Mithilesh Kumar Sinha retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

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 holds office up to conclusion of Annual General Meeting. The Board recommends the re-appointment of M/s. Rajendra K. Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of Annual General Meeting.

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, 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

Your Company has not accepted any Fixed Deposits during the year and as such, no amount of principal or interest was outstanding as on date of Balance Sheet.

LISTING

At present, the Company's Equity Shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the Company has paid the Listing fees to the above Exchanges for the year 2013-14.

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earnings and outgo is stated in Notes forming part of the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that-

- 1. In preparation of the Annual Accounts for the financial year 2012- 2013, the applicable accounting standards have been followed.
- The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonableand 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 or loss of the company for that period.

- 3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4. The Directors had prepared the Annual Accounts on a going concern basis.

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

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

ACKNOWLEDGEMENT

The Director sincerely appreciates the contributions made by all the employees, associates and business partners who have contributed towards the success of the Company. The Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.

For and on behalf of the Board of Directors,

-/Sd BRIJGOPAL BANG CHAIRMAN & MANAGING DIRECTOR

PLACE: Mumbai DATE: August 12, 2013

ANNEXURE I TO THE DIRECTOR'S REPORT

Statement pursuant to Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules , 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

(A) Conservation Of Energy

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

Disclosure of Particulars with respect to Conservation of Energy

"FORM A"

| 1. Electricity | | 2012- 2013 | 2011-2012 | |
|----------------|--------------------------------------|---------------------------|---------------------------|--|
| (a) | Purchased | | | |
| | Unit | 630981 Units | 270570 units | |
| | Total Amount | Rs.40,64,635/- | Rs15,83,054/- | |
| | Rate/unit | 6.44/- Per Unit | 5.8508/- per unit | |
| (b) | Own generation | | | |
| | i) Through Diesel generator unit | | | |
| | Unit | 19957 units | 12040 units | |
| | Units per ltr. Of Diesel Oil | 2.56 units per ltr | 3 units per ltr | |
| | – Cost/ unit | Rs.17.02 | Rs.14.946 | |
| | | (Rs.3,39,761/19957 units) | (Rs 1,79,953/12040 units) | |
| | ii) Through Steam turbine/ generator | Nil | Nil | |
| | Units | Nil | Nil | |
| | Units per ltr. of fuel oil/ gas | Nil | Nil | |
| | Cost/ units | Nil | Nil | |
| 2. Coa | al (Bio Fuel) | | | |
| | Quantity (tonnes) | 60.690 Kgs | 54910 kg | |
| | Total Cost | Rs.303811.00 | Rs.236490.00 | |
| | Average Cost | Rs 5006/- Per tone | 4300/- per tones | |
| 3. Fur | nace Oil | | | |
| | Quantity | Nil | Nil | |
| | Total Amount | Nil | Nil | |
| | Average rate | Nil | Nil | |
| 4. Oth | ners / internal generation | | | |
| | Quantity | Nil | Nil | |
| | Total Cost | Nil | Nil | |
| | Rate/ unit | Nil | Nil | |