

THOMAS SCOTT (INDIA) LIMITED

ANNUAL REPORT

2011-2012



INDEX

Corporate Information	1
Directors' Biography	2
Directors' Report	6
Compliance Certificate	11
Report on Corporate Governance	15
Management and Discussion Analysis	28
Auditor's Report and Financial Statements	35
Balance Sheet	40
Profit & Loss Account	41
Cash Flow Statement	42
Schedules and Other Details	43
Attendance Slip and Proxy Form	56

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. Khyati Desai

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
AXIS BANK

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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.

MR. KRISHNAKUMAR BANG - NON-EXECUTIVE DIRECTOR:

Mr. Krishna Kumar Bang is aged 45 years and a Chartered Accountant. He looks after the day to day affairs of the business of the Company and is a Promoter Director of the Company and since then is involved into the operations of the Company.

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.

NOTICE

NOTICE is hereby given that the **SECOND ANNUAL GENERAL MEETING** of the Members of **THOMAS SCOTT (INDIA) LIMITED** will be held on Saturday, 29th September, 2012 at 10:00 A.M. at the Garware Club House, Wankhede Stadium, Banquet Hall, 2nd Floor, "D" Road, Churchgate, Mumbai-400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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 re-appoint Dr. M. K. Sinha as the Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Venugopal Bang as the Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Rajendra K. Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company and to authorize the Board to fix their remuneration.

For and on behalf of the Board of Directors

Sd/-
VENUGOPAL BANG
CHAIRMAN

Place: Mumbai
Date: August 27, 2012

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 Thursday, 27th September, 2012 to Saturday, 29th September, 2012 (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. 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 investor.tsil@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. Venugopal Bang
Date of Birth	02.09.1935	02.06.1954
Date of Appointment	23.08.2011	22.10.2010
Expertise in specific function area	Planning & Strategy	Finance
Qualifications	Doctorate in Operational Research & Masters in Mathematics.	B.Com., C.A.
Directorships held in other Indian public limited companies as on 31st March 2012	5 (Five) 1. Jhaveri Flexo India Limited 2. Amines & Plasticizers Limited 3. First Winner Industries Limited 4. Microqual Techno Limited 5. Bang Overseas Limited	2(Two) 1. Vedanta Creations Limited 2. Bang Overseas Limited
Chairman / Member of the Committee of Board of Directors of the Company as on 31st March, 2012	1. Audit Committee – Member 2. Remuneration Committee – Chairman	1. Shareholders/Investor's Grievance Committe Member 2. Management & Finance Committee – Member
Chairman / Member of Committees of Board of Directors of other Indian public limited Companies as on 31st March, 2012	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. Bang Overseas Limited – Member(Audit Committee) 6. Bang Overseas Limited – Chairman (Remuneration Committee)	1. Bang Overseas Limited - Member (Shareholders/Investor's Grievance Committee)
No. of Shares held in the Company as on 31st March, 2012	NIL	NIL

DIRECTORS' REPORT

The Members of
THOMAS SCOTT (INDIA) LIMITED

Your Director's present with immense pleasure, the SECOND 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	
	Year Ended 31.03.12	Year Ended 31.03.11
Revenue	1581.66	0.00
Other Income	9.84	0.00
Total Expenditure	2550.69	0.50
Earnings before Interest, Depreciation and Tax (EBIDT)	(887.71)	(0.50)
Less: Interest	18.95	0.00
Earning Before Depreciation And Tax (EBDT)	(906.66)	(0.50)
Less: Depreciation	47.53	0.00
Profit before Tax (PBT)	(954.19)	(0.50)
Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	(0.00)	0.00
Profit after Tax (PAT)	(954.19)	(0.50)

PERFORMANCE REVIEW

As your Company is incorporated in October 2010 and as compared to the last year, it has gained a revenue of Rs. 1581.66 lakhs out of its operational activities which has also lead to increase in total expenditure of the company to Rs. 2550.69 lakhs which has lead to Loss on account of the increase of expenditure over Income and other unfavorable market factors.

SHARE CAPITAL

The Paid up Capital of the Company for the financial year ended March 31, 2012 is Rs.3,39,00,000/- divided into 33,90,000 Equity Shares of Rs. 10/- each as compared to Rs. 5,00,000 divided into 50,000 Equity Shares of Rs. 10/- each as on March 31, 2011.

DIVIDEND AND TRANSFER TO RESERVES

In view of the business loss during the year, your Director's do not recommend any dividend for the year 2011-12.

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 & OVERSEAS**

The Company is presently into the Retail Business of Men's Garments under its Brand "THOMAS SCOTT" which has a world class Retail network of a complete Menswear and Lifestyle and has 11 Retail Outlets and also markets its products through LFS (Large Format Stores) all over the Country but plans for business expansion. Your Company had to close some of its Retail Outlets due to locational disadvantage.

Your Company has also launched its New Brand "Bang & Scott" into the market for fabric shirt pieces and fabric to be sold in Retail.

"THOMAS SCOTT" brand products are retailed through various point of sales comprises of eleven retail outlets, franchisees, Large Format Stores (LFS) spread over across country. We also export "Thomas Scott" Shirts to UAE.

DEMERGER

Your Company was incorporated on 22nd October, 2010, with the objective of taking over the Retail Division and Business of Bang Overseas Limited (the Transferor Company) under the brand name, "Thomas Scott", on a going concern basis vide a Scheme of Arrangement (the Scheme) in accordance with Sections 391 to 394 of the Companies Act, 1956. The Honorable High Court of Mumbai approved the Scheme between Bang Overseas Limited, Thomas Scott (India) Limited and its respective Shareholders vide its order dated 22nd July, 2011. The Scheme became effective on 5th August, 2011. The Appointed date of demerger is 1st April 2011. Pursuant to the Scheme, the Retail Division of Bang Overseas Limited under the brand, "Thomas Scott", was demerged into Thomas Scott (India) Limited with effect from 1st April 2011. The Balance Sheet and Profit and Loss Account and related financial statements have been made in accordance with the provisions of the said Scheme. As per the Scheme, the Board of Directors of the Company issued and allotted on 29th August, 2011, 33, 90,000 fully paid-up equity shares of Rs.10/- each to the Share holders of Bang Overseas Limited whose names appeared in the Register of Members as on the Record Date, viz. 25th August, 2011, in the ratio of 1 (one) equity share of Rs.10/- each for every 4 (four) equity shares of Rs. 10/- each held in Bang Overseas Limited.

Further the Original Share Capital of Rs.5, 00,000/- (50,000 equity shares of Rs.10/- each) was cancelled and taken to Capital Reserve account.

The 33, 90,000 Equity Shares were listed on the National Stock Exchange of India Limited and Bombay Stock Exchange on 30th January 2012.

SUBSIDIARY COMPANIES

As on March 31, 2012, Your Company has No Subsidiaries.

DIRECTOR'S

On account of the Demerger and upon the Listing of the Equity Shares of the Company on the Stock Exchanges, there has been appointment of Mr. Viswanath Cheruvu, Mr. Vijay D. Ajgaonkar and Dr. M. K. Sinha, Independent Directors on the Board of the Company in compliance with Clause 49 of the Listing Agreement as entered into with the Stock Exchanges.

In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Dr. M. K. Sinha and Mr. Venugopal Bang 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 Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, 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. 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 REPORT

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.