

Thomas Scott (India) Limited



9th

Annual Report
2018 - 2019

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THOMAS SCOTT (INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brijgopal Bang
Mr. Raghvendra Bang
Mr. Subrata Kumar Dey
Mrs. Swati Sahukara
Mrs. Anuradha Paraskar

Managing Director
Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Samir Samaddar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Rashi Bang

STATUTORY AUDITORS

M/s. Bhatte & Company
Chartered Accountants
307, Tulsiani Chambers,
Nariman point,
Mumbai-400021
Tel.: (022) 22853039/30208868
E-mail: dhhbhatte@gmail.com

SECRETARIAL AUDITORS

M/s. Kothari H. & Associates
Practicing Company Secretaries
208, 2nd Floor, BSE Building,
Dalal Street, Fort,
Mumbai 400 001.
Tel.: (022) 2272 1831
E mail: info@khacs.com

CORPORATE OFFICE

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

BANKERS

Bank of India

REGISTERED OFFICE

50, Kewal Industrial Estate,
Senapati Bapat Marg,
Lower Parel (West)
Mumbai – 400 013
Tel.: (022) 4043 6363

REGISTRAR & TRANSFER AGENT

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032, Telangana
Tel.: +91 40 6716 2222, 3321 1000
Email: einward.ris@karvy.com

CORPORATE IDENTITY NUMBER:

L18109MH2010PLC209302

Website: www.thomasscott.org

DIRECTORS' BIOGRAPHY**MR. BRIJGOPAL BALARAM 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.

MR. RAGHVENDRA VENUGOPAL BANG, DIRECTOR

Mr. Raghvendra Bang is Commerce Graduate from R A Poddar College, Mumbai University. He has an experience of more than 13 years in the field on Marketing & Finance. He is son of Mr. Venugopal Bang who was earlier on Board of Bang Overseas Limited and he is Non-executive director of the Company.

MR. SUBRATA K. DEY, INDEPENDENT DIRECTOR

Mr. Subrata K. Dey is a BA (Hons) and has done MA in Economics. He has experience of 35 years predominantly in areas of Corporate Banking especially for Large, mid-Corporate. 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.

MRS. SWATI SAHUKARA, INDEPENDENT DIRECTOR

Mrs. Swati Sahukara is an Associate Member of the Institute of Company Secretaries of India (ACS), B. Com and L.L.B. She has 12 years of rich experience in the field of Company Secretary profession, worked with various organizations viz. engaged in business of real estate, glass industry, film industry, corporate law consultancy and handled various assignments like merger, amalgamation, takeover, buy back of shares, preferential issue, due diligence etc.

MRS. ANURADHA PARASKAR, INDEPENDENT DIRECTOR

Mrs. Anuradha Paraskar has 27 years experience in the field of Marketing and communication as well as Sales and Business development. Her career has spanned across FMCG, Realty, hospitality and Tourism and Health care categories having worked in senior roles at companies like Godrej Consumer Products Ltd., Lavasa Corporation Ltd. (an HCC Group company) and Piramal Enterprises. Her last assignment was as President (Marketing and Group Brand) at Piramal. Currently an independent Marketing and Strategy consultant at Thermax Ltd., an Engineering leader. She is also a member of the Board of Governors at IIM Raipur. She is an MBA from Mumbai University and has also completed an Executive Education program from Harvard Business School on Customer centricity for profitable business growth. She conducts Training programs for Companies as well as lectures in Educational institutes.

THOMAS SCOTT (INDIA) LIMITED

DIRECTORS' REPORT

To
The Members of
THOMAS SCOTT (INDIA) LIMITED

Your Director's present with immense pleasure, the NINTH ANNUAL REPORT along with the Audited Statement of Accounts of the Company for the year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

(Rs. In lakhs)

Description	Year ended 31.03.2019	Year ended 31.03.2018
Revenue	2161.77	2045.61
Other Income	0.06	1.88
Expenditure before Interest, Depreciation and Tax	2338.88	2149.23
Earnings before Interest, Depreciation and Tax (EBIDT)	-177.05	-101.74
Less: Interest	56.86	39.72
Earnings Before Depreciation And Tax (EBDT)	-120.19	-62.02
Less: Depreciation	4.60	2.19
Profit before Tax (PBT)	-115.59	-59.83
Less: Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	6.08	14.57
Profit after Tax (PAT)	-121.67	-74.40
Total Net Comprehensive Income	0.32	0
Total Profit after Tax (including Comprehensive Income)	-121.35	-74.40

PERFORMANCE REVIEW:

During the financial year, your Company recorded revenue of Rs. 2161.77 lakhs as against Rs. 2045.61 lakhs in previous year. The Company has incurred a Net loss after tax of Rs. 121.35 lakhs as against Loss of Rs. 74.40 lakhs for the corresponding previous financial year. Due to Favourable market conditions, the turnover of your company has been increased. Your directors are hopeful for better sales realization and profit in the next year.

Your Company is trying to reduce the overall cost by way of using various efforts like optimum utilization of Human Resource, and to increase its sustainability by planning for better prospects for the Company using various new avenues to avail the low cost raw material and by trying for better price gains for its products in the market and by continuing efforts for its growth as well.

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 2018-19. No amount is transferred to Reserves.

The Register of Members and Share Transfer Books will remain closed from September 24, 2019 to September 30, 2019 (both days inclusive) for the purpose of Annual General Meeting of the Company will be held on September 30, 2019.

SUBSIDIARY ASSOCIATES AND JOINT VENTURES OF THE COMPANY:

As on March 31, 2019, your company has no subsidiary, associates and joint ventures.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business during the year.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There is no material change and commitments occurred which affecting the financial position of the Company between the end of the financial year and as on the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

FUTURE OUTLOOK:

Lately during the Financial Year 2018-19, your company has started a small workshop at Solapur, Maharashtra on a pilot basis for manufacturing Garments. Your directors are of the view that if it is found to be promising, Company would invest its time and resources more and make the workshop into proper manufacturing facility to extract best output and increase profitability of the company.

Further in this scenario of high material cost market, you will appreciate the hardship the company is facing. However, we are hopeful for change in this scenario soon and also hopeful for better sales realizations and more profit in the next year.

INTERNAL FINANCIAL CONTROL:

The Internal Financial Control with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

DEPOSITS:

During the year, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. No amounts were outstanding which were classified as Deposit under the applicable provisions of the Companies Act, 2013 as on the date of balance sheet.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 is currently not applicable to Company.

AUDITORS AND THEIR REPORTS:

The matters related to Auditors and their Reports are as under:

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, M/s. Bhatner & Company, Chartered Accountants (Firm Registration No. 131092W), were appointed as statutory auditors of the Company for a period of five years by the members of the Company at 7th Annual General Meeting (AGM) to hold office from the conclusion of 7th AGM till the conclusion of 12th AGM, subject to the ratification of their appointment by the members in every ensuing annual General Meeting. Thereafter at 8th AGM the members have ratified their appointment for the balance term till

the conclusion of 12th AGM. It may be noted that pursuant to the amended provisions of section 139 (as amended by the Companies Amendment Act 2017), ratification of statutory auditors appointment is not required at every Annual General Meeting. Accordingly, resolution for yearly ratification of appointment has not been proposed/required.

The specific notes forming part of the Accounts referred to in the Auditor's Report read with the notes to financial statements as referred to therein, are self-explanatory and give complete information and addresses the observations if any. The Auditor's Report does not have any qualification or reservations or adverse comments. Further the observation/s made therein read with concerned Notes to financial statements, provide sufficient information and are self explanatory. So no further explanations or comments is required/provided in this report with respect thereto

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board of Directors of the Company has, in compliance with the provisions of section 204 of the companies Act, 2013, appointed M/s. Kothari H. & Associates, Practicing Company Secretaries to carry out secretarial audit of the company for the financial year 2018-19.

Secretarial Audit Report as per Section 204 of Companies Act 2013 is annexed as Annexure A to this report. There are adverse remarks in the said report.

DIRECTORS COMMENT ON SECRETARIAL AUDITOR'S ADVERSE REMARKS IN SECRETARIAL AUDIT REPORT:

As the Secretarial Auditors has marked adversely in their report related to Maintenance of hundred percent of shareholding of promoter(s) and promoter group in dematerialized form, Directors state that the management will make necessary efforts to maintain hundred percent of shareholding of promoter(s) and promoter group in dematerialized form.

SHARE CAPITAL:

The Company has not issued any equity shares with differential rights / sweat equity shares/ employee stock options or not made any provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2018-2019

The Company has not made any purchase or provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2018-2019.

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

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy. The Company has installed energy conservative equipment's like LED (Light Emitting Diode) lights instead of CFL (Compact Fluorescent Lamp).

The Company has maintained a technology friendly environment for its employees to work in. Your Company uses latest technology and equipments. However since the Company is not engaged in any manufacturing activities, the information in connection with technology absorption is NIL.

Foreign exchange earnings and outgo: (Rs. In lakhs)

Foreign Exchange Earnings during the year	:	NIL
Foreign Exchange Outgo during the year	:	NIL

EXTRACTS OF ANNUAL RETURN AND OTHER DISCLOSURES UNDER COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed hereto as Annexure B forms part of this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

A) Changes in Directors and Key Managerial Personnel

Pursuant to provisions of section 152(6) of the Companies Act, 2013, Mr. Raghvendra Bang retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

During the year under review, Mrs. Anuradha Paraskar was appointed as an Independent Director of the Company at Annual General Meeting of the Company held on 28th September, 2018 for a period of five years.

Further, the Board has at their meeting held on 14th August, 2019, approved and proposed for approval by the shareholders at this ensuing AGM, the re-appointment of Mr. Subrata Kumar Dey as an Independent Director of the Company, and accordingly requisite resolutions are proposed for the approval of the shareholders at the ensuing AGM, forming part of the Notice.

The Board also approved and proposed for approval by the shareholders at this ensuing AGM, the re-appointment of Mr. Brijgopal Bang as Chairman & Managing Director of the Company for a period of three years, and accordingly requisite resolutions are proposed for the approval of the shareholders at the ensuing AGM, forming part of the Notice.

The Board recommends their reappointments being in the interest of the Company

B) Declaration by an Independent Director(s) and re- appointment, if any

All Independent Directors have given declarations that they meet the criteria of independence as laid down sub- section (6) of section 149 of the Companies Act, 2013 and regulation 16(b) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

C) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

While independent directors in their separate meeting have carried out to assess the performance of Chairman & MD and other Directors of the Board more particularly about their business acumen and contribution to the Company, the performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process, functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of duties, obligations, responsibilities and governance.

CERTIFICATE REGARDING NON-DISQUALIFICATION OF DIRECTORS

Certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority: Certificate from company secretary in practice is attached as Annexure C.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the financial year on May 30, 2018, August 13, 2018, November 14, 2018 and February 12, 2019. The numbers of meetings attended by each Director are as follows:

Name of Directors	Category	No. of meetings held	No. of meetings attended
Mr. Brijgopal Bang	Promoter, Managing Director	4	4
Mr. Raghvendra Bang	Non- Executive, Non- Independent Director	4	4
Mr. Subrata Kumar Dey	Non Executive, Independent Director	4	4
Ms. Swati Sahukara	Non-Executive, Independent Director	4	4
Mrs. Anuradha Paraskar	Non Executive, Independent Director	4	1

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company is given in the notes to the financial statements.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at the link https://www.thomasscott.org/financial-results/policies/TSIL_Policy%20on%20Related%20Party%20Transaction%20-%20Final.pdf

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval and wherever appli-

cable omnibus approvals are obtained for Related Party Transactions. A statement of all such related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature and value of these transactions.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the companies act, 2013, in the prescribed Form AOC-2 is appended as Annexure D to the Board Report.

PARTICULARS OF EMPLOYEES:

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure E to the Board Report.

During the financial year 2018-19, there were no employee in the Company whose particulars are required to be given in terms of Section 197 (12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The Board has framed a Whistle Blower Policy/ Vigil Mechanism which is in line with the provisions of section 177 of the Companies Act, 2013. The Company has devised vigil mechanism and has formal whistle blower policy under which the Company takes cognizance of complaints made by the employees and others. No employee of the Company/ no other person has been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy is disclosed on the website of the Company at the link: http://www.thomasscott.org/financial-results/policies/TSIL_Vigil%20Mechanism.pdf

NOMINATION AND REMUNERATION COMMITTEE:

The Board has framed Nomination and Remuneration Committee in accordance with the provisions of subsection (3) of Section 178 of the Companies Act, 2013. The Nomination & Remuneration policy framed by the Board is annexed hereto as Annexure F and forms part of this report. The Committee met once during the financial year on February 12, 2019. The meetings attended by each member of the Committee are as follows:

THOMAS SCOTT (INDIA) LIMITED

Name	Category	Number of meetings during the financial year 2018 -19	
		Held	Attended
Mr. Subrata Kumar Dey	Non-Executive, Independent	1	1
Mrs. Swati Sahukara	Non-Executive, Independent	1	1
Mrs. Anuradha Paraskar	Non-Executive, Independent	1	NIL

AUDIT COMMITTEE:

The audit committee of the Company is constituted in line with the provisions of Section 177 of the Act. All the recommendation made by the Audit Committee on various matters has been accepted by the Board. Four meetings of the Audit Committee held during the year on May 30, 2018, August 13, 2018, November 14, 2018 and February 12, 2019. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2018 -19	
		Held	Attended
Mr. Subrata Kumar Dey	Non-Executive, Independent	4	4
Mrs. Swati Sahukara	Non-Executive, Independent	4	4
Mr. Brijgopal Bang	Managing Director	4	4

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The stakeholders' relationship committee is constituted in line with the provisions of section 178 of the Act. Three meetings of the stakeholder's relationship committee held during the year on May 30, 2018, August 13, 2018, and February 12, 2019. The composition of the stakeholder's relationship committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2018 -19	
		Held	Attended
Mr. Brijgopal Bang	Non-Independent, Executive	3	3
Mr. Raghven-dra Bang	Non-Independent, Non-Executive	3	3
Mrs. Anuradha Paraskar	Non-Executive, Independent	3	1

CORPORATE GOVERNANCE REPORT:

Pursuant to the Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Compliance related to the Corporate Governance is not mandatory to the Company.

In view of the above, Company has not provided report on corporate governance and auditor's certificate thereon for the year ended March 31, 2019. However, whenever the provision will become applicable to the company at a later date, the company shall comply with the requirements of the same within six months from the date on which the provisions became applicable to the company.

LISTING:

At present, the Company's Equity Shares are listed at National Stock Exchange of India Limited and BSE Limited and the Company has paid the Listing fees to the above Exchanges for the year 2019-20.

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 SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(C) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- In preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year ended on that date;
- 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;
- The Directors had prepared the Annual Accounts on a going concern basis; and