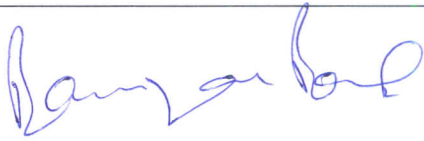

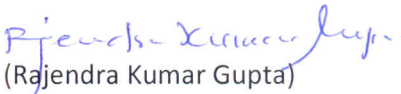
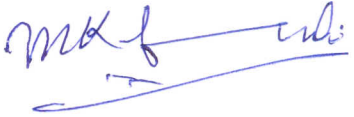


## Form A

|    |   |  |
|----|---|--|
| 1. | Name of the Company   | Thomas Scott (India) Limited   |
| 2. | Annual financial statements for the year ended  | 31 <sup>st</sup> March, 2014   |
| 3. | Type of Audit observation   | Un-qualified   |
| 4. | Frequency of observation  | Not applicable   |
| 5  | Signed by   |  |
|    | Shri. Brijgopal Balaram Bang<br>(Managing Director)   |    |
|    | Shri. Madhusudan Indoria<br>(Chief Financial Officer)   |    |
|    | For M/S. Rajendra K Gupta & Associates<br>Chartered Accountants<br>Firm Registration No.: 108373W<br>(Auditor of the Company) | <br>(Rajendra Kumar Gupta)<br>Partner<br>Membership No. 9939 |
|    | Shri. Mithilesh Kumar Sinha<br>(Audit Committee Chairman)   |    |



**THOMAS  
SCOTT** 

**THOMAS SCOTT (INDIA) LIMITED**

**ANNUAL REPORT**

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**2013-2014**



**INDEX**

|   |    |
|---|----|
| Corporate Information                     | 04 |
| Directors' Biography                      | 05 |
| Directors' Report                         | 06 |
| Compliance Certificate                    | 10 |
| Report on Corporate Governance            | 14 |
| Management Discussion & Analysis          | 28 |
| Auditors' Report and Financial Statements | 31 |
| Balance Sheet                             | 36 |
| Profit & Loss Account                     | 37 |
| Cash Flow Statement                       | 38 |
| Schedules and Other Details               | 39 |

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Mr. Vijay Dattatraya Ajgaonkar  
Mr. Brijgopal Bang  
Mr. Raghvendra Bang  
Mr. Purshottam Bang  
Dr. Mithilesh Kumar Sinha  
Mr. Subrata Kumar Dey

Independent Director & Chairman  
Managing Director  
Director  
Director  
Independent Director  
Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Madhusudan Indoria

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mrs. Rashi Bang

### **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

### **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: hiteshkotharics@yahoo.co.in

### **INTERNAL AUDITORS**

VISHAL KHADE & Co.  
Chartered Accountants  
Prerana Apt., 2nd Floor  
Room No. 12, Parshuramwadi  
Kolsewadi, Kalyan (E) – 421306

### **BANKERS**

Bank of India  
Axis Bank

### **REGISTERED OFFICE**

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

### **CORPORATE OFFICE**

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

### **CORPORATE IDENTITY NUMBER:**

L18109MH2010PLC209302

### **REGISTRAR & TRANSFER AGENT**

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24 Vittal Rao Nagar,  
Madhapur, Hyderabad 500 081  
Tel.: 040- 4465 5000  
Email: Varghese@karvy.com

## **WEBSITE**

[www.banggroup.com](http://www.banggroup.com)

## **DIRECTORS' BIOGRAPHY**

### **MR. VIJAY DATTATRAYA AJGAONKAR – NON- EXECUTIVE INDEPENDENT DIRECTOR & CHAIRMAN:**

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.

### **BRIJGOPAL BALARAM 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.

### **MR. RAGHVENDRA VENUGOPAL BANG- DIRECTOR**

Mr. Raghvendra Bang is Commerce Graduate from RA Poddar College, Mumbai University. He has an experience of more than 9 years in the field on Marketing & Finance. He is son of Mr. Venugopal Bang who was earlier on Board of Thomas Scott (India) Limited.

### **MR. PURSHOTTAM BANG- DIRECTOR**

Mr. Purshottam Bang is a B.Sc.(Physics) Graduate from Jai Hind College, Mumbai. He has a vast experience of more than 15 years in the field of Marketing.

### **DR. MITHILESH KUMAR 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. SUBRATA K. DEY – NON- EXECUTIVE 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-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.

## DIRECTORS' REPORT

The Members of

### THOMAS SCOTT (INDIA) LIMITED

Your Director's present with immense pleasure, the **FOURTH ANNUAL REPORT** along with the Audited Statement of Accounts of the Company for the year ended 31st March 2014.

#### FINANCIAL HIGHLIGHTS

(Rs. In lacs)

| Description  | Stand Alone            |                        |
|--|------------------------|------------------------|
|  | Year Ended<br>31.03.14 | Year Ended<br>31.03.13 |
| Revenue  | 5008.10                | 2137.05                |
| Other Income   | 0.58                   | 51.36                  |
| Total Expenditure  | 5189.85                | 2396.40                |
| <b>Earnings before Interest, Depreciation and Tax (EBIDT)</b>            | <b>(181.17)</b>        | <b>(207.99)</b>        |
| Less: Interest   | 2.63                   | 1.79                   |
| <b>Earnings Before Depreciation And Tax (EBDT)</b>                       | <b>(183.80)</b>        | <b>(209.78)</b>        |
| Less: Depreciation   | 8.13                   | 10.68                  |
| <b>Profit before Tax (PBT)</b>   | <b>(191.93)</b>        | <b>(220.46)</b>        |
| Less: Tax Provision (Current, Deferred, FBT and Earlier Year adjustment) | 0.00                   | 0.00                   |
| <b>Profit after Tax (PAT)</b>  | <b>(191.93)</b>        | <b>(220.46)</b>        |

#### PERFORMANCE REVIEW

During the financial year, your Company recorded revenue of Rs. 5008.10 lacs an increase by 134.35 % over the previous year and expenditure of Rs. 5189.85 lacs an increased by 116.57% over the previous year. The operating loss before tax during the year stood at Rs 181.17 lacs as against Rs. 207.99 lacs in the previous year.

#### 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 2013-14.

The Register of Members and Share Transfer Books will remain closed from September 22, 2014 to September 29, 2014, both days inclusive. The Annual General Meeting of the Company will be held on September 29, 2014.

#### SUBSIDIARY COMPANIES

As on March 31, 2014, your company has no subsidiary.

#### DIRECTORS

During the year, Mr. Venugopal Bang resigned from directorship w.e.f. 7th March 2014 and Mr. Raghvendra Bang

and Mr. Purshottam Bang was appointed as Additional Director w.e.f. 30th May, 2014.

As per Section 161(1) of the Companies Act, 2013, Mr. Raghvendra Bang and Mr. Purshottam Bang who were appointed as Additional Directors, will cease to hold the office of the Director at the conclusion of the forthcoming Annual General Meeting. As per Section 160 of the Companies Act, 2013, the Company has received notices along with deposit from the members proposing the candidatures for the office of Director of the Company.

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on August 13, 2014 recommended appointment of Mr. Vijay Dattatraya Ajgaonkar, Mr. Mithilesh Kumar Sinha and Mr. Subrata Kumar Dey as Independent Directors of the Company, not liable to retire by rotation for a period of five years from the date of its 4th Annual General Meeting subject to approval of the Members of the Company. These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

None of the Directors of the Company is disqualified under Section 164(2) of the Companies Act, 2013.

In terms of the Articles of Association of the Company, Mr. Brijgopal Balaram Bang retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

#### **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

As per Section 203 of the Companies Act 2013, the company has appointed, Mr. Madhusudan Indoria as Chief Financial Officer of the Company w.e.f August 13, 2014.

#### **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 Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting (AGM). The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s Rajendra K. Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 7th AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

#### **AUDITORS' REPORT**

The observations made in the Auditors Report are self-explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

#### **SECRETARIAL AUDITOR**

As per Section 204 of the Companies Act, 2013, the Board at its meeting held on August 13, 2014 appointed Mr. Hitesh Kothari, Partner of Kothari H. & Associates, Practicing Company Secretaries as Secretarial Auditor for



the financial year 2014-15.

### **CORPORATE GOVERNANCE REPORT**

The Company is committed to maintain the highest standards of Corporate Governance. Your Company continues to be compliant with the requirements enshrined in clause 49 of the Listing Agreement which relates to Corporate Governance.

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Practicing Company Secretary of your Company regarding compliance with Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is also annexed to 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**

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 BSE Limited and the Company has paid the Listing fees to the above Exchanges for the year 2014-15.

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

Particulars required to be furnished pursuant to Section 217(l)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

(i) Part A& B of the Rules, pertaining to conservation of energy & technology absorption are not applicable to the Company.

(ii) Foreign exchange earning and outgo: (Rs. In lacs)

Foreign Exchange Earnings during the year : NIL

Foreign Exchange Outgo during the year : 1280.73

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your directors affirm that the audited accounts containing the financial statements for the financial year 2013 -14 are in conformity with the requirements of the Companies Act, 1956. They believe that the financial statements

reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

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 2013- 2014, the applicable accounting standards have been followed.
2. 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 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.

#### **ACKNOWLEDGMENT**

Your Directors wish to place on record their deep sense of appreciation for all the stake holders of the Company who have been continuously supporting the growth of your Company. In particular, the Directors value the dedication and commitment of your Company's employees and thank the Central and State Governments, Financial Institutions, Banks, Government authorities, customers, vendors and shareholders for their continued cooperation and support.

**For and on behalf of the board of directors**

Sd/-  
**Vijay Dattatraya Ajgaonkar**  
(DIN: 00065102)  
Chairman

**Place:** Mumbai

**Date:** August 13, 2014

## COMPLIANCE CERTIFICATE

To,  
The Members,  
THOMAS SCOTT (INDIA) LIMITED,  
50, Kewal Industrial Estate,  
Senapati Bapat Marg, Lower Parel (W),  
Mumbai – 400 013.

We have examined the registers, records, books and papers of THOMAS SCOTT (INDIA) LIMITED, ('the Company') as particularly required to be maintained under the Companies Act, 1956, ('the Act') and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2014 ('the financial year'). In our opinion, and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital and their numbers of members are more than 7 (Seven) and the Company during the year under scrutiny:
  - (i) has not invited public to subscribe for its shares or debentures; and
  - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met four times on May 30, 2013, August 12, 2013, November 14, 2013 and February 12, 2014 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the financial year from 16th September 2013 to 22nd September 2013.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on September 24, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. During the year, No Extra-Ordinary General Meeting was held.
8. As per explanation and information, the Company has not given any advanced loan to its Directors or persons or firms or Companies without comply of Section 295 of the Act, during the financial year.

9. The Company has duly entered into contracts, which are falling within the purview of Section 297 of the Act.
10. The Company has made the necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. During the financial year;
  - a. There was no transfer / allotment / transmission of securities during the year.
  - b. The Company has not deposited any amount in a separate bank account as no dividend was declared.
  - c. The Company has not posted warrants to any member of the Company as no dividend was declared.
  - d. There were no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued which have remained unclaimed or unpaid for a period of seven years be transferred to Investor Education and Protection Fund.
  - e. The Company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is properly constituted. During the financial year, there was a resignation of Mr. Venugopal Bang from the Directorship of the Company.
15. The appointment of Mr. Brijgopal Bang as Managing Director is in accordance of Section 269 of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any other approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The Company has not borrowed any amount as per Section 293(1) (d) of the Act during the financial year under scrutiny.
25. The Company has complied with the provisions of Section 372A of the Act with regard to loans given, investment made, or guarantee given or securities provided to other body corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year in terms of Section 418 of the Act as the said Section is not applicable to the Company.

**FOR KOTHARI H. & ASSOCIATES**  
COMPANY SECRETARIES

**Sd/-**

Hitesh Kothari  
(Partner)

C. P. No. 5502

Place: Mumbai

Date: 30th May, 2014

## Annexure – A

### Registers as maintained by the Company

1. Register of members under Section 150
2. Register of Share Transfers
3. Register of particulars of contracts in which directors are interested under Section 301
4. Register of Directors, Managing Director, Manager and Secretary under Section 303
5. Register of Director's Shareholding under Section 307
6. Minutes book of General Meetings and Board Meetings under Section 193
7. Register of Director's Attendance

## Annexure – B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2014.

| Sr. No. | Form No./ Return                                | Filed under Section | For   | Date of filing | Whether filed within prescribed time<br>Yes/ No | If delay in filing whether requisite additional fee paid<br>Yes/ No |
|---------|---|---------------------|---|----------------|---|---|
| 1       | Form 32   | 303(2)              | Resignation of Ms. Sonam Jain as Company Secretary                          | 19/08/2013     | Yes   | N.A.  |
| 2       | Form 32   | 303(2)              | Appointment of Mrs. Rashi Bang as Company Secretary                         | 22/08/2013     | Yes   | N.A.  |
| 3       | Form 32   | 303(2)              | Confirmation of Mr. Subrata Kumar Dey as Non Executive Independent Director | 16/10/2013     | Yes   | N.A.  |
| 4       | Form 32   | 303(2)              | Resignation of Mr. Venugopal Bang from directorship                         | 11/03/2014     | Yes   | N.A.  |
| 5       | Form 20B<br>(For F.Y. 2012-13)                  | 159                 | Annual Return   | 20/11/2013     | Yes   | N.A.  |
| 6       | Form 23 ACXBRL & 23ACAXBRL<br>(For F.Y.2012-13) | 220                 | Balance Sheet and P & L Account   | 18/10/2013     | Yes   | N.A.  |
| 7       | Form 66<br>(For F.Y.2012-13)                    | 383(A)              | Compliance Certificate  | 17/10/2013     | Yes   | N.A.  |

### **FOR KOTHARI H. & ASSOCIATES COMPANY SECRETARIES**

**Sd/-**

Hitesh Kothari  
(Partner)  
C. P. No. 5502  
Place: Mumbai  
Date: 30th May, 2014

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY

The Corporate Governance philosophy is based on trusteeship, transparency, accountability and ethical corporate citizenship. As a responsible corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Robust systems and processes for internal control; and
- Ethical business conduct by the Board, Senior Management and employees.

### 2. BOARD OF DIRECTORS

#### a) Composition

The Board of TSIL has an optimum combination of Executive, Non-Executive and Independent Directors. The Chairman being a Non- Executive Independent Director, as per Listing Agreement, at least one-third of the Board should comprise of independent directors. The Board comprised of Six (6) Directors, out of which 3 (Three) 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.

| Name of the Director      | Category                                       |
|---------------------------|--|
| Mr. Vijay Ajgaonkar       | Non -Executive Independent Director & Chairman |
| Mr. Brijgopal Bang        | Managing Director                              |
| Mr. Raghvendra Bang       | Director                                       |
| Mr. Purshottam Bang       | Director                                       |
| Mr. Subrata Kumar Dey     | Non -Executive Independent Director            |
| Dr. Mithilesh Kumar Sinha | Non -Executive Independent Director            |

Pursuant to Articles of Association of the Company, Mr. Brijgopal Bang retire by rotation and being eligible, offer himself 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

For every Board Meeting, the agenda papers along with explanatory notes are circulated in advance to the Board Members. The Company places before the Board, the Minutes of Committees of the Board and all other information as may be required including those specified under clause 49 of the Listing Agreement.

### c) Number of Board Meetings:

During the year, 4 (Four) Board Meetings were held. These were on May 30, 2013, August 12, 2013, November 14, 2013 and February 12, 2014.

### d) Director's Attendance Record and Directorships:

Attendance at Board Meeting held during 2013-14 and the last AGM, number of Directorships, Memberships / Chairmanship in Public Companies during 2013-14.

| Name of Directors                         | Category                             | No. of meetings held | No. of meetings attended | Whether attended last AGM | No. of directorships of public limited companies |
|---|--------------------------------------|----------------------|--------------------------|---------------------------|--|
| Mr. Brijgopal Bang<br>(Managing Director) | Promoter/ Director                   | 4                    | 4                        | Yes                       | 2  |
| *Mr. Venugopal Bang                       | Promoter Director                    | 4                    | 1                        | No                        | Nil  |
| Dr. M K Sinha                             | Non Executive & Independent Director | 4                    | 3                        | No                        | 7  |
| Mr. V. D. Ajaonkar                        | Non Executive & Independent Director | 4                    | 4                        | Yes                       | 5  |
| Mr. Subrata Kumar Dey                     | Non Executive & Independent Director | 4                    | 4                        | No                        | 1  |
| *Mr. Raghvendra Bang                      | Executive Director                   | 4                    | Nil                      | No                        | 2  |
| *Mr. Purshottam Bang                      | Executive Director                   | 4                    | Nil                      | No                        | 2  |

\*Due to resignation of Mr. Venugopal Bang on 7th March 2014, The Board of the Company has been reconstituted by appointment of Mr. Raghvendra Bang and Mr. Purshottam Bang on 30th May 2014.

### e) Information Supplied to the Board

Amongst others, information supplied to the Board includes:

- Quarterly Results of the Company,
- Minutes of Meetings of Audit Committee and other Committees of the Company,
- Minutes of the Previous Board Meetings,



- Details with respect to the Operations of the Company,
- 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, 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,
- Non-compliance of any regulatory, statutory or listing requirements,
- 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 2013-14.

#### **g) Post – Meeting Governance**

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions. 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.

#### **h) GOVERNANCE CODES**

##### **• Code of Business Conduct & Ethics**

The Company has adopted Code of Business Conduct & Ethics which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website – [www.banggroup.com](http://www.banggroup.com)

##### **• Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions

he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

### 3. AUDIT COMMITTEE

Composition of Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role, scope, etc., are in accordance with Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the Listing Agreement. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance.

#### a) Composition

The Audit Committee of the Company consists of Non-Executive 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. Subrata Kumar Dey, 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 2013-14 :

Audit Committee met 4(Four) Times during the year 2013-2014 on May 30,2013, August 12,2013, November 14, 2013 and February 12, 2014 and the attendance record is as per the table given below:

| Name of the Director  | No. of meetings | Meetings Attended |
|-----------------------|-----------------|-------------------|
| Mr. M. K. Sinha       | 4               | 3                 |
| Mr. Vijay Ajgonkar    | 4               | 4                 |
| Mr. Subrata Kumar Dey | 4               | 4                 |

#### d) Internal Auditors

The Company appointed M/s. Vishal Khade & Co., Chartered Accountants as the Internal Auditor for the financial year 2014-15 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. Stakeholders Relationship Committee

The Stakeholders Relationship 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  | Designation |
|---------|---|-------------|
| 1       | Mr. Vijay Ajgaonkar, Non-Executive Independent Director | Chairman    |
| 2       | Mr. Brijgopal Bang, Managing Director                   | Member      |
| 3       | *Mr. Raghvendra Bang, Executive Director                | Member      |

\*Due to resignation of Mr. Venugopal Bang on 7th March 2014, the committee has been reconstituted by appointment of Mr. Raghvendra Bang on 30th May 2014.

##### b) Terms of Reference

The Stakeholders Relationship Committee deals with the matters relating to transfer of Shares, issue of duplicate/ new shares, sub-divided and consolidated share certificates, Shareholders'/Investors' Grievance and its redressal.

##### c) Meetings of the Committee held during the year 2013-2014

The Stakeholders Relationship Committee met 5(Five) Times during the year 2013-2014 on 30th May 2013, 12th August 2013, 14th November, 2013, 13th December, 2013, 12th February, 2014 and the attendance record is as per the table given below:

| Name of the Director | No. of meetings | Meetings Attended |
|----------------------|-----------------|-------------------|
| Mr. Vijay Ajgaonkar  | 5               | 5                 |
| Mr. Brijgopal Bang   | 5               | 5                 |
| Mr. Venugopal Bang   | 5               | 1                 |

##### d) Complaints

Details of Investor Complaints received during the financial year ended 31st March 2014 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                 | 0                        | 0                        | 0                          |
| Non-receipt of Refund Order      | 0                 | 0                        | 0                        | 0                          |
| <b>TOTAL</b>                     | 0                 | 0                        | 0                        | 0                          |

## 5. Nomination and Remuneration Committee

### a) Composition:

The Nomination and 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. Subrata Kumar Dey, Non-Executive Independent Director     | Member      |

### b) Terms of Reference

Terms of reference of the Remuneration Committee, includes considering the matters relating to the Company's Policies on remuneration payable to the Managing Directors, Executive Directors and Whole-time Directors, sitting fees payable and commission to be paid to the Directors.

### c) Meeting

There were no meeting of Nomination and Remuneration Committee held during the year 2013-14.

### d) Remuneration

During the financial year 2013-14, Remuneration paid to the Directors is as follows:

(Amount in Rs.)

| Name of the Director  | Sitting Fees | Salaries and Perquisites | Commission | Total    |
|-----------------------|--------------|--------------------------|------------|----------|
| Mr. Venugopal Bang    | -            | -                        | -          | -        |
| Mr. Brijgopal Bang    | -            | 7,20,000                 | -          | 7,20,000 |
| Mr. Subrata Kumar Dey | 20,000       | -                        | -          | 20,000   |
| Dr. M.K.Sinha         | 30,000       | -                        | -          | 30,000   |
| Mr. Vijay Ajgaonkar   | 20,000       | -                        | -          | 20,000   |

### 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, if any, should not exceed the limits as prescribed under the Companies Act, 1956.

## 6. GENERAL BODY MEETINGS

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

| Financial year | Date       | Time       | Venue  |
|----------------|------------|------------|--|
| 2010-11        | 23.08.2011 | 10.00 A.M. | 50, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013.                  |
| 2011-12        | 29.09.2012 | 10:00 A.M  | Garware Club House, Wankhede Stadium, Banquet Hall, 2nd Floor, "D"raod, Chrchgate, Mumbai - 400020 |
| 2012-13        | 24.09.2013 | 10:30 A.M  | Maheshwari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai- 400 002                               |

### Resolution /s passed through Postal Ballot

#### (b) 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 Penalties or Strictures

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 framed Whistle Blower Policy for the directors and employees of the Company.

### iv) Disclosure of Accounting Treatment in the preparation of the financial statements

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

### 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.

## **vi) 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) Company's 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.

## **viii) Reconciliation of Share Capital Audit Report**

In line with the requirements stipulated by SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

## **8. MEANS OF COMMUNICATION TO SHAREHOLDERS**

- Quarterly results: Quarterly Results are published in accordance with the provisions of the Listing Agreement. The results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated.
- The Company's financial results and official press releases are displayed on the Company's Website- [www.banggroup.com](http://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 : September 29, 2014  
Time : 10.30 a.m.  
Venue : Maheshwari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai -400002.

### b) Financial Year – April 1 to March 31

### c) Financial Calendar (Tentative)

| Particulars            | Date                          |
|------------------------|-------------------------------|
| First Quarter Results  | On or before August 14,2014   |
| Second Quarter Results | On or before November 14,2014 |
| Third Quarter Results  | On or before Febraury 14,2014 |
| Fourth Quarter Results | On or before May 30,2015      |

### d) Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from September 22, 2014 to September 29, 2014.

### e) Dividend payment date: Not Applicable

### f) Listing

1. BSE Ltd., P. J. Towers, Dalal Sreet, Fort, Mumbai - 400 001.
2. National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

Listing Fees as applicable have been paid.

#### Stock Code/Symbol:

(a) Stock Exchange Stock Code :

1. BSE Ltd. - 533941
2. National Stock Exchange of India Ltd.- TSIL

(b) Demat ISIN No. for NSDL and CDSL – INE480M01011

## g) Stock Data

The Table below gives the Monthly High and Low Prices and Volumes of the Company's Equity Shares at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE), Mumbai for the year 2013-14:

| THOMAS SCOTT (INDIA) LIMITED |               |              |                |                         | BSE SENSEX    |              |                |
|------------------------------|---------------|--------------|----------------|-------------------------|---------------|--------------|----------------|
| Date                         | High<br>(Rs.) | Low<br>(Rs.) | Close<br>(Rs.) | No. of<br>Shares traded | High<br>(Rs.) | Low<br>(Rs.) | Close<br>(Rs.) |
| Apr 13                       | 7.50          | 7.16         | 7.16           | 822                     | 19,622.68     | 18,144.22    | 19,504.18      |
| May 13                       | 7.49          | 6.71         | 7.00           | 1661                    | 20,443.62     | 19,451.26    | 19,760.30      |
| June 13                      | 6.99          | 6.34         | 6.99           | 240                     | 19,860.19     | 18,467.16    | 19,395.81      |
| July 13                      | 7.24          | 7.00         | 7.24           | 385                     | 20,351.06     | 19,126.82    | 19,345.70      |
| Aug 13                       | 7.20          | 6.67         | 6.67           | 1343                    | 19,569.20     | 17,448.71    | 18,619.72      |
| Sept 13                      | 6.75          | 4.93         | 5.00           | 2652                    | 20,739.69     | 18,166.17    | 19,379.77      |
| Oct 13                       | 5.25          | 4.45         | 4.56           | 3634                    | 21,205.44     | 19,264.72    | 21,164.52      |
| Nov 13                       | 4.70          | 4.14         | 4.55           | 12262                   | 21,321.53     | 20,137.67    | 20,791.93      |
| Dec 13                       | 4.97          | 4.11         | 4.75           | 7478                    | 21,483.74     | 20,568.70    | 21,170.68      |
| Jan 14                       | 9.28          | 4.50         | 7.86           | 5182                    | 21,409.66     | 20,343.78    | 20,513.85      |
| Feb 14                       | 7.90          | 6.75         | 7.40           | 2534                    | 21,140.51     | 19,963.12    | 21,120.12      |
| Mar 14                       | 8.10          | 4.20         | 4.20           | 5381                    | 22,467.21     | 20,920.98    | 22,386.27      |

| THOMAS SCOTT (INDIA) LIMITED |               |              |                |                         | NSE S&P CNX Nifty |              |                |
|------------------------------|---------------|--------------|----------------|-------------------------|-------------------|--------------|----------------|
| Date                         | High<br>(Rs.) | Low<br>(Rs.) | Close<br>(Rs.) | No. of<br>Shares traded | High<br>(Rs.)     | Low<br>(Rs.) | Close<br>(Rs.) |
| Apr 13                       | 7.5           | 7.5          | 7.5            | 45                      | 5962.30           | 5867.80      | 5930.20        |
| *May 13                      | Nil           | Nil          | Nil            | Nil                     | 6106.25           | 5975.55      | 5985.95        |
| *June 13                     | Nil           | Nil          | Nil            | Nil                     | 5852.95           | 5749.50      | 5842.20        |
| *July 13                     | Nil           | Nil          | Nil            | Nil                     | 5752.10           | 5675.75      | 5742.00        |
| *Aug 13                      | Nil           | Nil          | Nil            | Nil                     | 5493.30           | 5360.20      | 5471.80        |
| *Sept 13                     | Nil           | Nil          | Nil            | Nil                     | 5810.20           | 5718.50      | 5735.30        |
| *Oct 13                      | Nil           | Nil          | Nil            | Nil                     | 6309.05           | 6235.90      | 6299.15        |
| *Nov 13                      | Nil           | Nil          | Nil            | Nil                     | 6182.50           | 6103.80      | 6176.10        |
| *Dec 13                      | Nil           | Nil          | Nil            | Nil                     | 6317.30           | 6287.30      | 6304.00        |
| *Jan 14                      | Nil           | Nil          | Nil            | Nil                     | 6097.85           | 6067.35      | 6089.50        |
| *Feb 14                      | Nil           | Nil          | Nil            | Nil                     | 6282.70           | 6228.10      | 6276.95        |
| *Mar 14                      | Nil           | Nil          | Nil            | Nil                     | 6730.05           | 6662.40      | 6704.20        |

\*Company's shares had not been traded during the month



## 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, 2014:

| No. | Category                  | No. of shares held | Shareholding % |
|-----|---------------------------|--------------------|----------------|
| 1   | CLEARING MEMBERS          | 550                | 0.02           |
| 2   | FRACTIONAL SHARES         | 1458               | 0.04           |
| 3   | H U F                     | 34599              | 1.02           |
| 4   | BODIES CORPORATES         | 420190             | 12.39          |
| 5   | NON RESIDENT INDIANS      | 5478               | 0.16           |
| 6   | PROMOTER & PROMOTER GROUP | 2307185            | 68.06          |
| 7   | RESIDENT INDIVIDUALS      | 620540             | 18.31          |
|     | <b>Total:</b>             | <b>3390000</b>     | <b>100.00</b>  |

### b. Pattern of shareholding by share class as on 31st March, 2014:

| Sr. No. | DISTRIBUTION SCHEDULE AS ON 31/03/2014 |                     |               |                               |               |
|---------|--|---------------------|---------------|-------------------------------|---------------|
|         | Category                               | No. of Shareholders | % of total    | Share Capital (Amount in Rs.) | % total       |
| 1       | upto 1 - 5000                          | 5406                | 95.58         | 3224010.00                    | 9.51          |
| 2       | 5001 - 10000                           | 103                 | 1.82          | 770130.00                     | 2.27          |
| 3       | 10001 - 20000                          | 71                  | 1.26          | 1037290.00                    | 3.06          |
| 4       | 20001 - 30000                          | 19                  | 0.34          | 493390.00                     | 1.46          |
| 5       | 30001 - 40000                          | 3                   | 0.05          | 111000.00                     | 0.33          |
| 6       | 40001 - 50000                          | 6                   | 0.11          | 273620.00                     | 0.81          |
| 7       | 50001 - 100000                         | 15                  | 0.27          | 1289930.00                    | 3.81          |
| 8       | 100001 & ABOVE                         | 33                  | 0.58          | 26700630.00                   | 78.76         |
|         | <b>Total:</b>                          | <b>5656</b>         | <b>100.00</b> | <b>33900000.00</b>            | <b>100.00</b> |

## i) Dematerialisation

The Company's Equity Shares are under compulsory Demat trading. The ISIN of the Scrip is INE480M01011.

As on 31st March, 2014, Dematerialized shares accounted for 83.79 % 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) 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 VittalRao Nagar,  
Madhapur, Hyderabad – 500081  
Tel: 040- 4465 5000  
Fax: 040- 2343 1551  
E-mail : varghese@karvy.com  
Website: www.karvycomputershare.com  
Contact person: Mr. P.A. Varghese

**k) Investor Correspondence Address**

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

**COMPANY SECRETARY & COMPLIANCE OFFICER****Mrs. RASHI BANG****THOMAS SCOTT (INDIA) LIMITED**

50, Kewal Industrial Estate,  
Senapati Bapat Marg, Lower Parel (W),  
Mumbai -400 013, India  
Tel.: 022- 6660 7965  
Fax: 022-6660 7970  
E-mail: rashi@banggroup.com

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

To,  
The Members,  
Thomas Scott (India) Limited.

We have examined the compliance of conditions of Corporate Governance by **Thomas Scott (India) Limited** ("the Company"), for the year ended 31st March 2014, 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 2014, 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  
Membership No. : 6038  
Place : Mumbai  
Dated : August 13, 2014**

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**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 2013-14.

**Sd/-  
Brijgopal Bang  
Managing Director**

**Place : Mumbai  
Date : August 13, 2014**

## **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 2013-14 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 Thomas Scott (India) Limited**

**Sd/-  
Brijgopal Bang  
Managing Director**

**Sd/-  
Madhusudan Indoria  
Chief Financial Officer**

**Place : Mumbai  
Date : August 13, 2014**

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW OF THE ECONOMY

In spite of the adverse market conditions prevailing in various businesses in which the Company operates, the overall performance of the Company during the year has marginally improved compared to that of the previous year.

The global economic outlook remained uncertain and challenging with a growth of about three per cent in 2013. There were many reasons for this sluggishness including weak recovery in the US and Europe and a general economic slowdown in emerging economies like China and India.

During 2013-14, there was no turnaround in the domestic economy in either consumption or investment as was reflected by the downward trend in both the capital and consumer goods segments. The high borrowing cost to combat inflation, coupled with lower consumption, low investment in infrastructure and other sectors of the economy were responsible for this, although agriculture and allied businesses had shown some improvement. Foreign Institutional Investors (FIIs) were record buyers of Indian debt instruments in the quarter ended March 2014, reflecting increased confidence in India's long-term economic prospects although growth is yet to show any definite signs of emerging from a slump. The Rupee has recently strengthened against the US Dollar which might adversely affect exports from India. It is expected that the economy should grow in the coming years and the demand for and prices of cement, paper and textile products should improve which will enable the Company to regain steady or better performance.

### INDUSTRY OUTLOOK

The Indian industry is amongst the very few in the world that is truly vertically integrated from raw material to finished products. It contains within itself, fibre-production, spinning, knitting and weaving, as well as apparel manufacture. Indian industry has consistently remained flexible in terms of production quantity and lead time. The policy environment that was unfavorable to large-scale manufacturing in the past has also created an unintended strength - a base of design, product development and merchandising capability. A major gap in Indian industry is its fragmented industry structure with a dominance of small scale industries. Small scale also brings with it the problem of productivity. Smaller companies often do not have the resources to invest in appropriate technology or retraining, or in the re-engineering of processes. While skilled Indian labor is inexpensive in absolute terms, due to lower productivity levels, much of this advantage is lost by small firms.

### SWOT ANALYSIS OF THE INDIAN TEXTILE & APPAREL INDUSTRY

#### Strengths

- \* Abundant raw material availability
- \* Availability of low-cost skilled labour
- \* Presence across the value chain
- \* Growing domestic market

## Weaknesses

- \* Fragmented Industry
- \* Impediments due to historical regulations
- \* Low productivity
- \* Low cost competitiveness with regards to other developing nations
- \* Technological obsolescence

## Opportunities

- \* Opening up of entire market by the end of Agreement on Textile and Clothing (ATC)
- \* Research and new product development can help the companies to move across the value chain

## Threats

- \* Increased competition in the domestic markets
- \* Cheaper imports
- \* Outdated regulatory framework
- \* Increased importance of adherence to ecological and social norms

The textile industry is fiercely competitive. The threat of competition emerges not only from the organized as well as the disorganized sector and from both small and big players. At the international level, the company is in direct competition with companies in nations having a low cost base such as Philippines, China and Bangladesh etc .We are also in direct competition with the leading apparel and fabric manufacturers of India as well as the local brands.

## Internal Control Systems and their Adequacy

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of function and transparency of the process of supervision and oversight. The Committee meets to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow up action required. The Company conducts its business with integrity and high standard of ethical behavior and in compliance with the laws and regulations that govern its business.

## Management perception of risk and concern

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, mainly cotton, which is the largest component of cost. Since cotton is an agriculture produce, it suffers from climatic volatility in the major cotton producing countries. This in turn creates uncertainties for textile manufacturers. Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry.

We are making all efforts to cope up with the challenges through continuous cost reduction, process

improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach.

### **Financial and operational performance**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. Please refer Board Report on performance review.

### **Human Resources**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company is giving direct employment to 27 employees.

### **Cautionary Statement**

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. 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 and tax structure, economic developments within India and the countries with which the Company has business contacts.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

## **INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
Thomas Scott (India) Limited

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Thomas Scott (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the "Act") read with the General Circular No. 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:



- (a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31,2014;
- (b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the 'Order') and on such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227 (3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards notified under the Act, read with General Circular No. 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on March 31,2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31,2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act.

#### **For Rajendra K Gupta & Associates**

Chartered Accountants  
Firm Registration No.: 108373W

Rajendra Kumar Gupta  
Partner  
Membership No. 9939  
Place: Mumbai  
Date: 30th May, 2014

## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under the heading of  
“Report on other legal and regulatory requirements” 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;
- (b) As explained to us, 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 not taken unsecured loans covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) According to the information and explanation given to us, the Company has not granted interest free unsecured loans repayable on demand which is covered in the register maintained under section 301 of the Companies Act, 1956.

- (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 clause (d) of sub-section (1) of section 209 of 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, 2014 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) This is the third year of operations of the Company. The Company has incurred cash losses during the current period and also has accumulated losses at the end of the 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 taken any loans from 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.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- (xvi) According to the records of the company and as per information and explanation given to us, the company has not taken Term Loan. Hence the provisions of clause 4 (xvi) of 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) No money has been raised by way of public issue directly by the Company during the financial year, hence this clause is not applicable.
- (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: 30th May, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

(In Rs.)

| Particulars                    | Note | As at<br>31st March 2014 | As at<br>31st March 2013 |
|--------------------------------|------|--------------------------|--------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                          |                          |
| <b>Shareholder's Funds</b>     |      |                          |                          |
| Share Capital                  | 2    | 33,900,000               | 33,900,000               |
| Reserves and Surplus           | 3    | 86,714,437               | 105,907,300              |
|                                |      | <b>120,614,437</b>       | <b>139,807,300</b>       |
| <b>Non Current Liabilities</b> |      |                          |                          |
| Other Long term Liabilities    | 4    | 24,566                   | 24,566                   |
|                                |      | <b>24,566</b>            | <b>24,566</b>            |
| <b>Current Liabilities</b>     |      |                          |                          |
| Trade payables                 | 5    | 89,473,563               | 82,365,995               |
| Other current liabilities      | 6    | 459,160                  | 251,446                  |
| Short-term provisions          | 7    | 493,099                  | 379,088                  |
|                                |      | <b>90,425,822</b>        | <b>82,996,529</b>        |
| <b>Total</b>                   |      | <b>211,064,825</b>       | <b>222,828,395</b>       |
| <b>ASSETS</b>                  |      |                          |                          |
| <b>Non-current assets</b>      |      |                          |                          |
| Fixed assets                   | 8    |                          |                          |
| Tangible assets                |      | 1,899,443                | 3,354,442                |
| Intangible assets              |      | 105,910                  | 176,515                  |
| Long term loans and advances   | 9    | 208,118                  | 485,353                  |
|                                |      | <b>2,213,471</b>         | <b>4,016,310</b>         |
| <b>Current assets</b>          |      |                          |                          |
| Inventories                    | 10   | 68,007,336               | 99,011,274               |
| Trade receivables              | 11   | 101,167,328              | 89,890,134               |
| Cash and bank balances         | 12   | 11,072,565               | 2,388,938                |
| Short-term loans and advances  | 13   | 27,151,240               | 26,641,791               |
| Other Current Assets           | 14   | 1,452,885                | 879,948                  |
|                                |      | <b>208,851,354</b>       | <b>218,812,085</b>       |
| <b>Total</b>                   |      | <b>211,064,825</b>       | <b>222,828,395</b>       |

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Rajendra K. Gupta & Associates**

Chartered Accountants

Firm Registration No:108373W

Sd/-

**Rajendra Kumar Gupta**

Partner

Membership No. 9939

For and on behalf of Board of Directors

**Thomas Scott (India) Limited**

Sd/-

**Brijgopal Bang**

Managing Director

(DIN: 00112203)

Sd/-

**Raghvendra Bang**

Director

(DIN: 00356811)

Sd/-

**Rashi Bang**

Company Secretary

Place : Mumbai

Date : 30th May 2014

Place : Mumbai

Date : 30th May 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

| Particulars  | Note | For the year ended<br>31st March 2014 | For the year ended<br>31st March 2013 |
|--|------|---------------------------------------|---------------------------------------|
| <b>INCOME</b>  |      |                                       |                                       |
| Revenue from operations  | 15   | 500,809,750                           | 214,694,536                           |
| Less: Excise Duty  |      | -                                     | 989,938                               |
| Net Revenue from operations  |      | 500,809,750                           | 213,704,597                           |
| Other Income   | 16   | 57,900                                | 5,136,079                             |
| Total Revenue  |      | 500,867,650                           | 218,840,677                           |
| <b>EXPENSES</b>  |      |                                       |                                       |
| Cost of materials consumed   | 17   | 1,985,144                             | 9,119,632                             |
| Purchase of stock in trade   | 18   | 429,233,960                           | 226,370,104                           |
| Changes in inventories of finished goods,<br>work-in-progress and Stock-in-Trade | 19   | 29,018,794                            | (27,780,104)                          |
| Employee benefit expenses  | 20   | 11,524,714                            | 4,036,871                             |
| Financial cost   | 21   | 262,971                               | 178,637                               |
| Depreciation and amortization expense  | 8    | 813,026                               | 1,067,960                             |
| Other expenses   | 22   | 47,221,905                            | 27,893,288                            |
| <b>Total Expenses</b>  |      | <b>520,060,513</b>                    | <b>240,886,387</b>                    |
| Profit / (Loss) before exceptional and extraordinary<br>items and tax            |      | (19,192,863)                          | (22,045,710)                          |
| Exceptional Item   |      | -                                     | -                                     |
| Profit / (Loss) before tax   |      | (19,192,863)                          | (22,045,710)                          |
| Profit / (Loss) for the period   |      | <b>(19,192,863)</b>                   | <b>(22,045,710)</b>                   |
| Earning per equity share: (Refer Note 26)  |      |                                       |                                       |
| (1) Basic  |      | (5.66)                                | (6.50)                                |
| (2) Diluted  |      | (5.66)                                | (6.50)                                |

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Rajendra K. Gupta & Associates**

Chartered Accountants

Firm Registration No:108373W

Sd/-

**Rajendra Kumar Gupta**

Partner

Membership No. 9939

For and on behalf of Board of Directors

**Thomas Scott (India) Limited**

Sd/-

**Brijgopal Bang**

Managing Director

(DIN: 00112203)

Sd/-

**Raghvendra Bang**

Director

(DIN: 00356811)

Sd/-

**Rashi Bang**

Company Secretary

Place : Mumbai

Date : 30th May 2014

Place : Mumbai

Date : 30th May 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

| Particulars   | Note | As at<br>31st March 2014 | As at<br>31st March 2013 |
|---|------|--------------------------|--------------------------|
| <b>A. Cash flow from Operating Activities</b>                 |      |                          |                          |
| Net profit before taxation                                    |      | (19,192,863)             | (22,045,710)             |
| <b>Adjustments for:</b>                                       |      |                          |                          |
| Depreciation  |      | 813,026                  | 1,067,960                |
| (Profit) / Loss on sale of Fixed Assets                       |      | -                        | 1,877,313                |
| Capital advances written off (CWIP)                           |      | -                        | 704,820                  |
| Fixed Assets Written off                                      |      | 1,378,830                | -                        |
| Interest expense  |      | 940                      | 15,532                   |
| <b>Operating profit before Working Capital changes</b>        |      | <b>(17,000,067)</b>      | <b>(18,380,085)</b>      |
| Decrease / (Increase) in trade receivables                    |      | (11,277,194)             | (38,225,695)             |
| Decrease / (Increase) in inventories                          |      | 31,003,938               | (18,660,472)             |
| Decrease/(Increase) long term loans and advances              |      | 277,235                  | 4,014,683                |
| Decrease/(Increase) short term loans and advances             |      | (509,449)                | 341,100                  |
| Decrease/(Increase) other current assets                      |      | (572,937)                | (879,948)                |
| Increase / (Decrease) in short term provisions                |      | 114,011                  | (4,453,288)              |
| Increase / (Decrease) in other current liabilities            |      | 207,714                  | (817,479)                |
| Increase / (Decrease) in trade payables                       |      | 7,107,568                | 76,630,535               |
| Cash generated from operations                                |      | 9,350,819                | (430,649)                |
| <b>Net Cash from Operating Activities</b>                     |      | <b>9,350,819</b>         | <b>(430,649)</b>         |
| <b>B. Cash flows from Investing activities</b>                |      |                          |                          |
| Purchase of Fixed Assets                                      |      | (666,252)                | (97,872)                 |
| Receipt from sale of assets                                   |      | -                        | 89,777                   |
| <b>Net Cash from Investing Activities</b>                     |      | <b>(666,252)</b>         | <b>(8,095)</b>           |
| <b>C. Cash flows from Financing Activities</b>                |      |                          |                          |
| Increase/(Decrease) in short/long term borrowings             |      | 0                        | (5,845,888)              |
| Interest expense  |      | (940)                    | (15,532)                 |
| <b>Net cash from Financing Activities</b>                     |      | <b>(940)</b>             | <b>(5,861,420)</b>       |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>  |      | <b>8,683,627</b>         | <b>(6,300,164)</b>       |
| <b>Cash and cash equivalents at the beginning of the year</b> |      | <b>2,388,938</b>         | <b>8,689,102</b>         |
| <b>Cash and cash equivalents at the end of the year</b>       |      | <b>11,072,565</b>        | <b>2,388,938</b>         |

As per our report of even date attached

**For Rajendra K. Gupta & Associates**

Chartered Accountants

Firm Registration No:108373W

Sd/-

**Rajendra Kumar Gupta**

Partner

**Membership No. 9939**

For and on behalf of Board of Directors

**Thomas Scott (India) Limited**

Sd/-

**Brijgopal Bang**

Managing Director

(DIN: 00112203)

Sd/-

**Raghvendra Bang**

Director

(DIN: 00356811)

Sd/-

**Rashi Bang**

Company Secretary

Place : Mumbai

Date : 30th May 2014

Place : Mumbai

Date : 30th May 2014

## Note 1

### SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material 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 re-valued 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. 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 written down value method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

#### 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. Inventories**

Inventories are valued at lower of cost or net realisable value. Raw material and manufactured finished goods are valued at cost. Cost is determined on using average cost method.

## **7. 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 revised schedule VI of the Companies Act, 1956.

### **8. 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.

### **9. 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.

### **10. 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.

### **11. 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

### **12. 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.

### **13. 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.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

| Particulars   | As at<br>31st March 2014                 | As at<br>31st March 2013 |
|---|--|--------------------------|
| <b>Note 2 : Share Capital</b>   |  |                          |
| <b>Authorised</b>   |  |                          |
| 40,00,000 Equity Shares of Rs. 10/- each<br>(Previous year 40,00,000 equity shares of Rs. 10/- each))   | 40,000,000                               | 40,000,000               |
| 10,00,000 Redemable Preference Shares of Rs. 10/- each<br>(Previous year 10,00,000 preference shares of Rs. 10/- each)  | 10,000,000                               | 10,000,000               |
|   | 50,000,000                               | 50,000,000               |
| <b>Issued, Subscribed &amp; Paid up</b>   |  |                          |
| 33,90,000 Equity Shares of Rs. 10/- each are allotted as fully paid up<br>pursuant to scheme of demerger vide High Court dated 22.07.2011<br>(Previous year 33,90,000 equity shares of Rs. 10/- each fully paid up) | 33,900,000                               | 33,900,000               |
| Total   | 33,900,000                               | 33,900,000               |
| <b>a) Terms/rights attached to Equity Shares</b>  |  |                          |
| The company has only one class of equity shares having a par value of Rs. 10/- per share.<br>Each holder of equity shares is entitled to one vote per share.  |  |                          |
| <b>b) Terms/rights attached to Preference Shares</b>  |  |                          |
| The company has only one class of preference shares having a par value of Rs. 10/- per share.   |  |                          |
| <b>c) Reconciliation of Issued Share Capital</b>  |  |                          |
| Equity shares outstanding at beginning of year  | 33,90,000                                | 33,90,000                |
| Equity shares outstanding at end of year  | 33,90,000                                | 33,90,000                |
| <b>d) Shareholders holding more than 5% of shares in the company</b>  |  |                          |
| Mr. Venugopal Bang  | 6,76,650                                 | 6,76,650                 |
| Mr. Brijgopal Bang  | 3,80,250                                 | 3,80,250                 |
| Mr. Krishnakumar Bang   | 3,25,425                                 | -                        |
| Mr. Ramanujdas Bang   | 1,93,650                                 | 1,93,650                 |
|   | 19.96%                                   | 19.96%                   |
|   | 11.22%                                   | 11.22%                   |
|   | 9.60%                                    | -                        |
|   | 5.71%                                    | 5.71%                    |
| <b>e) Aggregate number of bonus shares issued, share issued for consideration<br/>other than cash and shares brought back during the period of five years,<br/>immediately preceding the reporting date:</b>        |  |                          |
|   | <b>Year (Aggregate number of shares)</b> |                          |
| <b>Equity Shares</b>  | <b>2013-14</b>                           | <b>2012-13</b>           |
| Issued to the share holders of Bang Overseas Ltd pursuant to scheme of<br>demerger approved by Hon. Bombay High Court.  | 33,90,000                                | 33,90,000                |
| <b>Note 3 : Reserves &amp; Surplus</b>  |  |                          |
| <b>(a) General Reserve</b>  |  |                          |
| Balance at the beginning of the year  | 223,422,209                              | 223,422,209              |
| Balance at the end of the year  | 223,422,209                              | 223,422,209              |
| <b>(c) Surplus/(Deficit) in Profit Loss Statement</b>   |  |                          |
| Balance at the beginning of the year  | (117,514,909)                            | (95,469,199)             |
| Add: Current year transfer  | (19,192,863)                             | (22,045,710)             |
| Balance at the end of the year  | (136,707,772)                            | (117,514,909)            |
| <b>Total</b>  | 86,714,437                               | 105,907,300              |
| <b>Note 4: Other long term liabilities</b>  |  |                          |
| <b>Secured, considered good</b>   |  |                          |
| Security deposits received from franchisee  | 24,566                                   | 24,566                   |
|   | 24,566                                   | 24,566                   |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

### Note 8 - Fixed Assets

(In Rs.)

| Particulars                           | Gross Block         |                |                  | Depreciation        |                     |                 | Net Block                  |                     |                     |
|---------------------------------------|---------------------|----------------|------------------|---------------------|---------------------|-----------------|----------------------------|---------------------|---------------------|
|                                       | as at<br>01/04/2013 | Addition       | Deduction        | as on<br>31/03/2014 | up to<br>01/04/2013 | for the<br>Year | Depreciation<br>Adjustment | up to<br>31/03/2014 | as on<br>31/03/2013 |
| <b>(a) Tangible Assets (Owned):</b>   |                     |                |                  |                     |                     |                 |                            |                     |                     |
| Plant & Machinery                     | 69,988              | 29,000         | -                | 98,988              | 22,848              | 9,254           | -                          | 32,102              | 47,140              |
| Office Equipments                     | 809,838             | 101,486        | -                | 911,324             | 275,256             | 84,836          | -                          | 360,092             | 534,582             |
| Leasehold Improvements                | 3,694,199           | 369,864        | 1,367,305        | 2,696,758           | 1,214,890           | 480,014         | -                          | 1,694,904           | 2,479,309           |
| Computer System                       | 1,461,499           | 165,902        | 11,525           | 1,615,876           | 1,168,089           | 168,317         | -                          | 1,336,406           | 293,410             |
| <b>Total of (a)</b>                   | <b>6,035,524</b>    | <b>666,252</b> | <b>1,378,830</b> | <b>5,322,946</b>    | <b>2,681,083</b>    | <b>742,421</b>  | <b>-</b>                   | <b>3,423,504</b>    | <b>3,354,442</b>    |
| <b>(b) Intangible Assets (Owned):</b> |                     |                |                  |                     |                     |                 |                            |                     |                     |
| Computer software                     | 1,883,714           | -              | -                | 1,883,714           | 1,707,199           | 70,605          | -                          | 1,777,804           | 176,515             |
| <b>Total of (b)</b>                   | <b>1,883,714</b>    | <b>-</b>       | <b>-</b>         | <b>1,883,714</b>    | <b>1,707,199</b>    | <b>70,605</b>   | <b>-</b>                   | <b>1,777,804</b>    | <b>176,515</b>      |
| <b>Total of (a+b)</b>                 | <b>7,919,238</b>    | <b>666,252</b> | <b>1,378,830</b> | <b>7,206,660</b>    | <b>4,388,282</b>    | <b>813,026</b>  | <b>-</b>                   | <b>5,201,308</b>    | <b>3,530,957</b>    |
| <b>Total</b>                          | <b>7,919,238</b>    | <b>666,252</b> | <b>1,378,830</b> | <b>7,206,660</b>    | <b>4,388,282</b>    | <b>813,026</b>  | <b>-</b>                   | <b>5,201,308</b>    | <b>3,530,957</b>    |
| Previous Year                         | 12,685,782          | 97,872         | 4,864,416        | 7,919,238           | 5,512,828           | 1,067,960       | 2,192,506                  | 4,388,282           | -                   |

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(In Rs.)

| Particulars   | As at<br>31st March 2014 | As at<br>31st March 2013 |
|---|--------------------------|--------------------------|
| <b>Note 5 : Trade Payables</b>                              |                          |                          |
| For goods and services                                      | 5,041,974                | 3,045,647                |
| Payable to related parties                                  | 84,431,589               | 79,320,348               |
|   | 89,473,563               | 82,365,995               |
| <b>Note 6 : Other Current Liabilities</b>                   |                          |                          |
| Statutory liabilities                                       | 259,161                  | 95,696                   |
| Advance Received from customers                             | 199,999                  | 155,750                  |
|   | 459,160                  | 251,446                  |
| <b>Note 7 : Short term Provisions</b>                       |                          |                          |
| Provision for employee benefits                             | 129,230                  | 157,264                  |
| Provision for Gratuity                                      | 363,869                  | 221,824                  |
|   | 493,099                  | 379,088                  |
| <b>Note 9 : Long term Loans and advances</b>                |                          |                          |
| <b>Unsecured, considered good unless otherwise stated</b>   |                          |                          |
| Security deposits towards Stores/Shops                      | -                        | 454,229                  |
| Income Tax (Tax deducted at source)                         | 418                      | 124                      |
| Security deposits   | 207,700                  | 31,000                   |
|   | 208,118                  | 485,353                  |
| <b>Note 10 : Inventories</b>                                |                          |                          |
| <b>(As taken, Valued &amp; Certified by the Management)</b> |                          |                          |
| Raw Materials & Consumables                                 | 7,406,066                | 9,391,210                |
| Finished Good   | 60,601,270               | 89,620,064               |
|   | 68,007,336               | 99,011,274               |
| <b>Note 11 : Trade Receivables</b>                          |                          |                          |
| <b>Unsecured, considered good unless otherwise stated</b>   |                          |                          |
| Debts outstanding for a period exceeding six months         | 13,973,015               | 20,371,259               |
| Other Debts   | 87,194,313               | 69,518,875               |
|   | 101,167,328              | 89,890,134               |
| <b>Note 12 : Cash and Bank Balances</b>                     |                          |                          |
| <b>Cash and Cash equivalents</b>                            |                          |                          |
| Balances with Banks in                                      |                          |                          |
| - Current Accounts  | 10,962,671               | 2,170,802                |
| - Cash In Hand  | 109,894                  | 218,136                  |
|   | 11,072,565               | 2,388,938                |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

| Particulars  | As at<br>31st March 2014      | As at<br>31st March 2013      |
|--|-------------------------------|-------------------------------|
| <b>Note 13 : Short term Loans and advances</b>   |                               |                               |
| <b>Unsecured, considered good unless otherwise stated</b>                                      |                               |                               |
| Advances to employees  | 299,356                       | 31,000                        |
| Advances paid to suppliers   | 26,367,269                    | 26,348,966                    |
| Prepaid Expenses   | 111,530                       | 172,058                       |
| Balance with statutory/government authorities  | 373,085                       | 89,767                        |
|  | <b>27,151,240</b>             | <b>26,641,791</b>             |
| <b>Note 14 : Other Current Assets</b>  |                               |                               |
| DFRC/DFIA License Premium  | 1,452,885                     | 879,948                       |
|  | <b>1,452,885</b>              | <b>879,948</b>                |
| Particulars  | Year Ended<br>31st March 2014 | Year Ended<br>31st March 2013 |
| <b>Note 15 : Revenue from Operations</b>   |                               |                               |
| <b>Sale of products</b>  |                               |                               |
| - Trade Goods  | 493,260,845                   | 189,185,500                   |
| - Manufactured Goods   | 7,548,905                     | 25,509,036                    |
|  | <b>500,809,750</b>            | <b>214,694,536</b>            |
| <b>Note 16 : Other Income</b>  |                               |                               |
| Interest income  | 57,900                        | -                             |
| Insurance Claim  | -                             | 40,063                        |
| Foreign Exchange Gain/ (Loss)  | -                             | 2,062,009                     |
| Decrease in excise duty provision on finished goods  | -                             | 2,974,987                     |
| Sundry Balance written back  | -                             | 59,020                        |
|  | <b>57,900</b>                 | <b>5,136,079</b>              |
| <b>Note 17 : Cost of materials consumed (incl. cost of goods sold)</b>                         |                               |                               |
| Opening stock of Raw Materials   | 9,391,210                     | 18,510,842                    |
| Add: Purchases   | -                             | -                             |
| Less: Closing Stock  | 7,406,066                     | 9,391,210                     |
|  | <b>1,985,144</b>              | <b>9,119,632</b>              |
| <b>Note 18 : Trade Purchases</b>   |                               |                               |
| Purchase of stock in trade   | 429,233,960                   | 226,370,104                   |
|  | <b>429,233,960</b>            | <b>226,370,104</b>            |
| <b>Note 19 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b> |                               |                               |
| Opening Stock  | 89,620,064                    | 61,839,960                    |
| Less: Closing Stock  | 60,601,270                    | 89,620,064                    |
|  | <b>29,018,794</b>             | <b>(27,780,104)</b>           |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

| Particulars                                    | Year Ended<br>31st March 2014 | Year Ended<br>31st March 2013 |
|--|-------------------------------|-------------------------------|
| <b>Note 20 : Employee Compensation</b>         |                               |                               |
| Salaries, Wages, and Bonus                     | 10,375,364                    | 3,532,079                     |
| Contribution to Provident Fund and other funds | 251,516                       | 192,790                       |
| Gratuity Expenses                              | 142,045                       | 28,013                        |
| Workmen and staff welfare expenses             | 755,789                       | 283,989                       |
|  | 11,524,714                    | 4,036,871                     |
| <b>Note 21 : Finance Expenses</b>              |                               |                               |
| Interest on others                             | 940                           | 15,532                        |
| Bank Charges                                   | 262,031                       | 163,105                       |
|  | 262,971                       | 178,637                       |
| <b>Note 22 : Other Expenses</b>                |                               |                               |
| Power & Fuel                                   | 390,935                       | 629,712                       |
| Freight and forwarding charges                 | 1,810,438                     | 1,778,386                     |
| Rent   | 1,414,211                     | 1,479,732                     |
| Rates & Taxes                                  | 31,521                        | 67,627                        |
| Insurance Charges                              | 106,822                       | 205,953                       |
| Repairs & Maintenance:                         |                               |                               |
| - Other  | 425,424                       | 505,227                       |
| Advertisement & Sales Promotion Expenses       | 176,679                       | 141,069                       |
| Discount on sales                              | 7,999,227                     | 3,486,003                     |
| Director's Remuneration                        | 720,000                       | 720,000                       |
| Brokerage & Sales Promotion expenses           | 3,789,387                     | 7,649,620                     |
| Director's Sitting fees                        | 70,000                        | 89,888                        |
| Travelling & Conveyance expenses               | 1,998,874                     | 153,202                       |
| Capital advances written off                   | -                             | 704,820                       |
| Communication Cost                             | 292,937                       | 221,173                       |
| Printing & Stationary                          | 306,751                       | 160,847                       |
| Legal, Professional and Consultancy fees       | 455,259                       | 861,162                       |
| Auditors' remuneration:                        |                               |                               |
| - Audit fee                                    | 35,000                        | 25,000                        |
| - Tax Audit fee                                | 30,000                        | 20,000                        |
| Job work charges                               | -                             | 143,400                       |
| Labour Charges                                 | 379,842                       | 406,838                       |
| Loss on sale of fixed Assets                   | -                             | 1,877,313                     |
| Courier & Postage                              | 300,848                       | 143,341                       |
| Vehicle expenses                               | 2,000                         | 5,870                         |
| Packing Material expenses                      | 6,481,989                     | 4,277,527                     |
| Security & service charges                     | 307,857                       | 710,767                       |
| Sundry balance written off                     | 274,785                       | 564,081                       |
| Foreign Exchange Loss                          | 11,319,217                    | -                             |
| Fixed Assets written off                       | 1,378,830                     | -                             |
| Bad Debts                                      | 6,359,564                     | -                             |
| Other expenses                                 | 170,778                       | 89,975                        |
| Prior Period expenses                          | 192,731                       | 774,754                       |
|  | 47,221,905                    | 27,893,288                    |

## NOTES ON ACCOUNTS

### 23. Contingent Liabilities

(In Rs.)

| Particulars                 | 31.03.2014 | 31.03.2013 |
|-----------------------------|------------|------------|
| Sales Tax Declaration Forms | 14,79,539  | 14,96,705  |
| Total                       | 14,79,539  | 14,96,705  |

### 24. Taxes on Income

In view of the losses for the current year, no income tax provision is recorded in accounts. However, deferred tax asset on account of current year loss has not been made as the management is of the opinion that there is no virtual certainty for the reversal of the same.

The details of deferred tax asset/liability are as below:

(In Rs.)

| Particulars   | 31.03.2014       | 31.03.2013       |
|---|------------------|------------------|
| <b>Deferred Tax Liabilities</b>                       |                  |                  |
| On account of deduction u/s. 35DD                     | 58,605           | 58,605           |
| Total   | 58,605           | 58,605           |
| <b>Deferred Tax Assets</b>                            |                  |                  |
| Expenditures disallowed u/s 43B                       | 43,892           | 1,585            |
| On account of difference in Tax and Book Depreciation | 76,03,704        | 79,26,337        |
| <b>Deferred Tax Asset (Net)</b>                       | <b>75,88,991</b> | <b>78,69,317</b> |

25. 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. Some balances are subject to confirmation and reconciliation.

### 26. Earning per Share (EPS)

(In Rs.)

| Particulars   | 31.03.2014    | 31.03.2013    |
|---|---------------|---------------|
| Net Profit / (Loss) including exceptional item                    | (1,91,92,863) | (2,20,45,710) |
| Exceptional item  | -             | -             |
| Net Profit / (Loss) excluding exceptional item                    | (1,91,92,863) | (2,20,45,710) |
| Nominal Value per share   | 10            | 10            |
| Weighted Average no. of shares outstanding at the end of the year | 33,90,000     | 33,90,000     |
| E.P.S. Excluding exceptional item                                 | <b>(5.66)</b> | <b>(6.50)</b> |
| E.P.S. Including exceptional item                                 | <b>(5.66)</b> | <b>(6.50)</b> |



## 27. Operating Lease Arrangements:

### Aslessee:

Rental expenses of Rs. 14,14,211 (P.Y. Rs.14,79,732) 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:

(In Rs.)

| Particulars   | 31.03.2014 | 31.03.2013 |
|---|------------|------------|
| Due not later than one year                           | 11,14,092  | 13,59,488  |
| Due later than one year but not later than five years | 36,61,271  | 12,71,328  |
| Later than five years                                 | 3,88,381   | -          |

## 28. Employee benefit plan:

The Company has recognized Rs. 1,42,045/- (PY 28,013/-) in the profit & Loss Account during the year ended 31 March 2014 under defined contribution plan.

(a) Expenses recognized in Profit & Loss Account for the year ended 31 March 2014:

(In Rs.)

| Particulars                | 31.03.2014      | 31.03.2013    |
|----------------------------|-----------------|---------------|
| Current service cost       | 1,56,007        | 77,801        |
| Interest cost              | 20,319          | 15,602        |
| Expected return on Assets  | -               | -             |
| Actuarial (gains) / losses | (34,281)        | (65,390)      |
| Past service cost          | -               | -             |
| <b>Net expenses</b>        | <b>1,42,045</b> | <b>28,013</b> |

(b) Net Asset / (Liability) recognized in the Balance Sheet as at 31 March 2014:

(In Rs.)

| Particulars                     | 31.03.2014        | 31.03.2013        |
|---------------------------------|-------------------|-------------------|
| Defined benefit obligation      | 3,63,869          | 2,21,824          |
| Fair value of plan assets       | -                 | -                 |
| Fund status [Surplus/(Deficit)] | -                 | -                 |
| <b>Net Assets / (Liability)</b> | <b>(3,63,869)</b> | <b>(2,21,824)</b> |

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

(In Rs.)

| Particulars                               | 31.03.2014      | 31.03.2013      |
|---|-----------------|-----------------|
| Opening defined benefit obligation        | 2,21,824        | 1,93,811        |
| Current service cost                      | 1,56,007        | 77,801          |
| Interest cost                             | 20,319          | 15,602          |
| Benefit paid                              | -               | -               |
| Actuarial (gains) / Losses                | (34,281)        | (65,390)        |
| <b>Closing defined benefit obligation</b> | <b>3,63,869</b> | <b>2,21,824</b> |

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

(In Rs.)

| Particulars   | 31.03.2014 | 31.03.2013 |
|---|------------|------------|
| Fair Value of Plan Assets at the beginning of the period. | -          | -          |
| Expected Return on Plan Assets                            | -          | -          |
| Actuarial gains / (Losses)                                | -          | -          |
| Actual Company Contributions less Risk Premium            | -          | -          |
| Benefit Payments  | -          | -          |
| <b>Fair Value of the assets</b>                           | -          | -          |

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

| Assumption                | 31.03.2014   | 31.03.2013 |
|---------------------------|--|------------|
| Discount rate             | 9.16%  | 8.05%      |
| Expected return on assets | 0.00%  | 0.00%      |
| Salary Increase           | 8.00%  | 7.00%      |
| Withdrawal rates          | 5.00%  | 5.00%      |
| Mortality                 | <b>Indian Assured Lives Mortality (2006-08) Ultimate</b> |            |

## 29. Segment Reporting:

The Company operates in only one reportable segment that is trading of readymade Garments and fabrics. Therefore no separate disclosure of segment wise information is required.

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

## 31. Prior Period expenses includes:

(In Rs.)

| Particulars                         | 31.03.2014      | 31.03.2013      |
|-------------------------------------|-----------------|-----------------|
| ESIC liability of earlier year      | 83,909          | -               |
| Sales tax liability of earlier year | 1,08,822        | -               |
| Stores Rent                         | -               | 1,09,871        |
| Stores Commission & other expenses  | -               | 6,64,883        |
| <b>Total</b>                        | <b>1,92,731</b> | <b>7,74,754</b> |

### 32. Derivative Instruments

There are no outstanding forward contracts entered into the Company as on 31 March 2014.

The Foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2014 are as follows:

| (In Rs.)              |             |              |
|-----------------------|-------------|--------------|
| Particulars           | 31.03.2014  | 31.03.2013   |
| Assets (Receivable)   | -           | 24,068       |
| Liabilities (Payable) | 2,70,64,504 | 12,92,00,069 |

33. Addition information pursuant to the provisions of Part II of the Revised Schedule VI of the Companies Act,1956.

i) Value of imported and indigenous Raw Material consumed during the year

(In Rs.)

| Particulars       | 31.03.2014 |     | 31.03.2013     |            |
|-------------------|------------|-----|----------------|------------|
|                   | Imported   | NIL | NIL            | NIL        |
| <b>Indigenous</b> |            |     |                |            |
| Fabrics           | NIL        | NIL | 2,964/- (mtrs) | 3,02,287/- |
| Trims             | NIL        | NIL | NIL            | 59,537/-   |

ii) C.I.F Value of imports, Expenditure and Earning in Foreign exchange

(In Rs.)

| Particulars                     | 31.03.2014   | 31.03.2013   |
|---------------------------------|--------------|--------------|
| C I F Value of Imports (Fabric) | 12,80,72,857 | 14,98,21,076 |
| Foreign Travelling Expenses     | NIL          | NIL          |
| FOB Value of Exports (Fabric)   | NIL          | NIL          |

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

### 35. Information on Related Party Disclosure

|   |  |
|---|--|
| A. Key Managerial Persons (KMP)   | Venugopal Bang (Director) till 07 March 2014<br>Brijgopal Bang (Managing Director)<br>Raghavendra Bang (Director) from 30 May 2014 |
| B. Relatives of Key Managerial Persons  | Balaram Bang   |
| C. Enterprises owned or significantly influenced by key management personnel or their relatives | Bang Overseas Limited<br>Vedanta Creations Limited<br>Venugopal Bang (HUF)   |

## Disclosure of transaction between the Company and related Parties and status of outstanding balances as on 31st March, 2014:

| Particulars   | 31.03.2014  | 31.03.2013  |
|---|-------------|-------------|
| <b>Key Managerial Persons</b>   |             |             |
| <b>Brijgopal Bang</b>   |             |             |
| Remuneration to Director  | 720,000     | 720,000     |
| Outstanding Payable as on 31st March 2014   | 52,378      | 53,636      |
| <b>Relatives of Key Managerial Persons</b>  |             |             |
| <b>Balaram Bang</b>   |             |             |
| Rent paid   | 18,000      | 45,000      |
| Sale of Fabric  | -           | 700         |
| Outstanding payable as on 31st March 2014   | 18,000      | NIL         |
| <b>Enterprises owned or significantly influenced by key minglement personnel or their relatives</b> |             |             |
| <b>Bang Overseas Limited</b>  |             |             |
| Sale of finished goods / raw materials etc.   | 17,219,881  | 20,123      |
| Purchase of finished goods / raw materials etc.   | 272,760,753 | 216,622,918 |
| Purchase of DFRC Licenses   | 2,717,161   | -           |
| Rent Paid   | 264,205     | -           |
| Outstanding payable as on 31st March 2014   | 84,343,211  | 79,266,712  |
| <b>Vedanta Creations Limited</b>  |             |             |
| Sale of DFRC Licenses   | 3,100,167   | -           |
| Closing balance receivable as on 31st March 2014  | NIL         | -           |
| <b>Venugopal Bang (HUF)</b>   |             |             |
| Rent paid   | 18,000      | 45,000      |
| Outstanding payable as on 31st March 2014   | 18,000      | -           |

**For Rajendra K. Gupta & Associates**

Chartered Accountants  
Firm Registration No:108373W

Sd/-  
**Rajendra Kumar Gupta**  
Partner  
Membership No. 9939

Place : Mumbai  
Date : 30th May 2014

For and on behalf of Board of Directors

**Thomas Scott (India) Limited**

Sd/-  
**Brijgopal Bang**  
Managing Director  
(DIN: 00112203)

Sd/-  
**Raghvendra Bang**  
Director  
(DIN: 00356811)

Sd/-  
**Rashi Bang**  
Company Secretary

Place : Mumbai  
Date : 30th May 2014

## NOTES

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**REGISTERED OFFICE:**

50, Kewal Industrial Estate, Ground Floor,  
Senapati Bapat Marg,  
Lower Parel (West), Mumbai - 400 013, India.

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