

# **THAKRAL SERVICES (INDIA) LIMITED**



**THAKRAL**  
THAKRAL SERVICES (INDIA) LIMITED

**TWENTY EIGHTH**

**ANNUAL REPORT**

**2010 - 2011**

**8<sup>TH</sup> FLOOR, 'THE ESTATE', 121, DICKENSON ROAD,  
BANGALORE - 560 042**

**THAKRAL SERVICES (INDIA) LIMITED**

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**THAKRAL SERVICES (INDIA) LIMITED****Board of Directors****Shri. BIKRAMJIT SINGH THAKRAL****Shri. C D P RAJENDRAN****Shri. P BALAKRISHNA SHETTY (Chairman)****Shri. JOSEPH SEQUEIRA****Shri. KANWALJEET SINGH BAWA****Shri. R.C.BHAVUK- Managing Director****Bankers****CANARA BANK****HDFC BANK****STATE BANK OF INDIA****Auditors****M/S. BRAHMAYYA & CO.**

Chartered Accountants, Bangalore.

**Registered Office****8<sup>TH</sup> FLOOR, 'THE ESTATE',  
121, DICKENSON ROAD,  
BANGALORE - 560 042**

**NOTICE**

NOTICE is hereby given that the **Twenty Eighth** Annual General Meeting of the Members of **THAKRAL SERVICES (INDIA) LIMITED** will be held on Friday, the 30<sup>th</sup> September, 2011 at 10.00 a.m. at Rohini Hall, Hotel Ajantha, 22-A, M. G. Road, Bangalore – 560 001 (Opposite to HSBC Bank, Near ING Vysya Bank – Corporate office) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on 31.03.2011 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Kanwaljeet Singh Bawa who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Chennoth Divakara Prabu Rajendran who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Balakrishna Shetty who retires by rotation and being eligible offers himself for reappointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as may be agreed with the Board of Directors.

**SPECIAL RESOLUTION :**

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Special resolution:

“RESOLVED THAT pursuant to provisions of Sections 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits specified in Schedule XIII to the said Act, consent of the Company be and is hereby accorded to the reappointment of Shri. R C Bhavuk as Managing Director of the Company for a period of five years with effect from 12<sup>th</sup> December, 2011 on the same terms and conditions which is given as under:

**REMUNERATION AND PERQUISITES:**

1. Salary : Rs.60,000/- per month
2. Perquisites-
  - a. Housing : Accommodation to be provided
  - b. Medical Insurance : As per rules of the Company
  - c. Leave travel concession : As per rules of the Company
  - d. Telephone and Car : Provision of car with driver for use on Company's business and Telephone at residence
3. Retirement Benefits :  
Provident Fund, Gratuity, Superannuation and Encashment of Leave as per applicable rules from time to time and as per Company Policy.

**OTHER TERMS AND CONDITIONS:**

- a. The Managing Director shall NOT be liable to retire by rotation.
- b. The aforesaid remuneration shall be paid to the Managing Director with effect from 12<sup>th</sup> December 2011.
- c. The Managing Director shall not be entitled to sitting fees for attending the meeting of the Board of Directors or any committee thereof.
- d. He shall ipso facto cease to be the Managing Director, if he cease to hold the office of Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of re appointment including relating to remuneration, as it may at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, (including any statutory modification or re enactment thereof for the time being in force) or any amendment made thereto."

7. As the Company proposes to manufacture, produce, buy, sell, import, export, stock and deal in electric motors, electrical equipments, equipment for generation, transmission and distribution of electricity, cables, wires, conductors etc therefore a special resolutions is to be passed in pursuance of Section 149 of the Companies Act, 1956 to commence the business as mentioned in the clause 9 of the other object clause of the Memorandum of Association.

RESOLVED THAT the Company be and hereby permitted to commence the business to manufacture, produce, buy, sell, import, export, stock and deal in electric motors, electrical equipments, equipment for generation, transmission and distribution of electricity, cables, wires, conductors etc as mentioned in the Clause 9 of the other object clause of the Memorandum of Association

**Regd. Office**

8th Floor, 'The Estate',  
121, Dickenson Road,  
Bangalore – 560 042

**BY ORDER OF THE BOARD**

**MANAGING DIRECTOR**

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxy forms duly completed in all respects shall be lodged with the Company at least 48 hours before the time fixed for the meeting. The proxy form is annexed at the end of this report.
2. Members are requested to address all correspondence regarding De-mat, Share Transfers, Certificate Endorsement, Change of Address and other General Queries, to our Registrar M/s. Integrated Enterprises (India) Ltd (formerly M/s. Alpha Systems Pvt. Ltd) No.30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleshwaram, Bangalore – PIN – 560 003.
3. The Proxies and Members are requested to bring their attendance slip, annexed at the end of this report, to the meeting and sign at the entrance of the venue.
4. The Register of Members and Share Transfer books shall remain closed from Friday, the 23<sup>rd</sup> September, 2011 to Friday, the 30<sup>th</sup> September, 2011 (both days inclusive)

***EXPLANATORY STATEMENT PURSUANT TO  
SECTION 173(2) OF THE COMPANIES ACT, 1956***

***ITEM NO : 6 :***

- 1) Shri. R C Bhavuk is an ex- banker and has about 30 years of experience in the banking industry. He served the Company as its Managing Director for the last 15 years from 12<sup>th</sup> December 1996 onwards. In view of experience in the banking and financial sectors, the Directors are of the opinion that the experience and capability of Mr. Bhavuk would prove valuable in the long-term interest of the Company.
- 2) The Directors therefore recommend adoption of the proposed resolution, re appointing him as the Managing Director on terms and conditions, more specifically detailed in the resolution.
- 3) Above Terms and Conditions may be deemed to be an abstract of the terms of appointment as made by the Board of directors, as required under section 302 of the Companies Act, 1956.
- 4) None of the Directors, except Shri. R C Bhavuk, are in any way interested or concerned in the said resolution.

***ITEM NO.7:***

- 1) The Company is proposing to diversify its activities to increase its revenue. An opportunity has been found in the field of generation of power through solar and wind mills. The activity of generation of power is mentioned in the clause 9 of the other object clause. As per section 13 sub clause 1(d)(ii) read with section 149 of the Companies Act, 1956, the Company is permitted to commence the line of activity mentioned in the other objects clause provided a Special Resolution is passed. Hence this special resolution is proposed. None of the Directors are interested in the above resolution.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Regd. Office**  
8th Floor, 'The Estate', 121,  
Dickenson Road, Bangalore-560 042

**MANAGING DIRECTOR**

Place: BANGALORE  
Date:26.08.2011

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**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE FORTHCOMING  
ANNUAL GENERAL MEETING  
(IN PURSUANCE TO LISTING AGREEMENT WITH STOCK EXCHANGES)**

**Item No.2:**


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1) Name:	Mr. Kanwaljeet Singh Bawa
2) Date of Birth:	20.11.1964
3) Expertise:	Expertise in Financial Management & Control, Taxation and Corporate Secretarial matters spanning over 2 decades.
4) List of Companies in which outside directorship held as on 26.08.2011	M/s. Bhagwan Developments Pvt. Ltd., M/s. Carew Developments Pvt. Ltd., M/s. Jagbir Developments Pvt. Ltd., M/s. Khazina Developments Pvt. Ltd., M/s. Minnow Trading Co. Pvt. Ltd., M/s. Normandy Developments Pvt. Ltd., M/s. Normandy Investments Pvt. Ltd., M/s. Parjat Developments Pvt. Ltd., M/s. Raaya Developments Pvt. Ltd., M/s. Thakral One Solutions Pvt. Ltd., M/s. Sovereign Investments Pvt. Ltd., M/s. Thakral Computers Pvt. Ltd., M/s. Westminster Developments Pvt. Ltd., M/s. Zarina Developments Pvt. Ltd., M/s. Glade Trading Company Pvt. Ltd. M/s. Trust Leasing and Finance Pvt. Ltd. M/s. Future World (India) Pvt. Ltd.
5) Chairman / Member of the : Committee of the Board of the Companies on which he is a Director as on 26.08.2011	NIL

**Item No.3:**


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1) Name:	Mr. Chennoth Divakra Prabhu Rajendran
2) Date of Birth:	04.09.1952
3) Expertise:	Finance and Corporate Management Experience spanning over 3 decades.
4) List of Companies in which outside directorship held as on 26.08.2011	M/s. Thakral One Solutions Pvt. Ltd., M/s. Asiatic Steel Industries Ltd.,
5) Chairman / Member of the : Committee of the Board of the Companies on which he is a Director as on 26.08.2011	NIL

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**Item No.4:**

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1) Name:	Dr. P Balakrishna Shetty
2) Date of Birth:	20.07.1957
3) Expertise:	Practicing Chartered Accountant for almost 2 decades.
4) List of Companies in which outside directorship held as on 26.08.2011	Nil
5) Chairman / Member of the : Committee of the Board of the Companies on which he is a Director as on 26.08.2011	NIL

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**Item No.6:**

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1) Name:	Mr. Ramesh Chandra Bhavuk
2) Date of Birth:	11.12.1943
3) Expertise:	Banking, Finance and Corporate Management Experience spanning over 4 decades.
4) List of Companies in which outside directorship held as on 26.08.2011	M/s. Bhagwan Developments Pvt. Ltd., M/s. Carew Developments Pvt. Ltd., M/s. Jagbir Developments Pvt. Ltd., M/s. Khazina Developments Pvt. Ltd., M/s. Minnow Trading Co. Pvt. Ltd., M/s. Normandy Developments Pvt. Ltd., M/s. Normandy Investments Pvt. Ltd., M/s. Parjat Developments Pvt. Ltd., M/s. Raaya Developments Pvt. Ltd., M/s. Sovereign Investments Pvt. Ltd., M/s. Thakral Computers Pvt. Ltd., M/s. Westminster Developments Pvt. Ltd., M/s. Zarina Developments Pvt. Ltd., M/s. Glade Trading Company Pvt. Ltd. M/s. Netizen Properties Pvt. Ltd
5) Chairman / Member of the : Committee of the Board of the Companies on which he is a Director as on 26.08.2011	NIL

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**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the **Twenty Eighth Annual Report** along with the Audited Accounts for the year ended 31.03.2011

	Rs. in lakhs	
	31.03.2011	31.03.2010
<b><u>FINANCIAL RESULTS:</u></b>		
Income from Business	<b>2497.17</b>	1584.46
Gross Income	<b>2497.17</b>	1584.46
Less: Operational Expenses	<b><u>2377.63</u></b>	<u>1518.67</u>
Profit/(Loss) Before Depreciation and Provisions	<b>119.54</b>	65.79
Depreciation	<b><u>11.82</u></b>	<u>5.8</u>
Profit/(Loss) Before Provisions	<b>107.72</b>	59.99
Provisions	<b>0.00</b>	0.00
Profit/(Loss) after Provisions	<b>107.72</b>	59.99
Less :Income Tax/Fringe Benefit Tax	<b>14.00</b>	4.13
Add: Deferred Tax- Asset	<b><u>8.60</u></b>	<u>0.00</u>
Profit/(Loss) for the Year	<b>102.32</b>	55.86
Add: (Loss) brought forward from previous year	<b>-811.46</b>	-867.32
Total Loss carried to Balance Sheet	<b>-709.14</b>	-811.46

**OPERATIONS:**

The Organisation is mainly engaged in the business of Electronic Security, which comprises of CCTV, Access control, Fire Detection and Alarm and Intrusion Alarms.

The Organisation carries the vision of becoming one of the leading Electronic security players in India by the end of the Financial Year 2012

**DIVIDENDS:**

Since there are accumulated losses carried forward from previous years, the Company is therefore not in a position to declare dividends.

**CAPITAL:**

The present paid-up capital of the Company is Rs.11,73,50,800/-. The shares of the Company have been admitted for De-materialisation and the International Securities Identification Number (ISIN) of the equity share of the Company is INE190F01010.

**LISTING PARTICULARS :**

As required by Clause 32 of the Listing Agreement with the stock exchange, a cash flow statement is appended.

As per the revised Clause 49 of the Listing Agreement, a Report on Corporate Governance is attached to this report.

**DIRECTORS :**

The Board of Directors of the Company consists of 6 Directors, of whom 2 are Non-Executive Independent Directors and 3 Non Executive Directors and 1 Executive Director. The Directors Mr.Kanwaljeet Singh Bawa, Mr.Balakrishna shetty and Mr.Chennoth Divakara Prabu Rajendran are due to retire by rotation and are eligible for re appointment in the coming Annual General Meeting.

**AUDITORS :**

M/s. Brahmayya and Company, Chartered Accountants, Bangalore, Auditors of the Company retires at the conclusion of this Annual General Meeting and are eligible for re-appointment. Auditors have confirmed their willingness to continue in office, if reappointed.

**EMPLOYEES :**

The Company does not have any employee within the purview of section 217 (2A) of the Companies Act, 1956 as such the details required under the said section and the Companies (Particulars of Employees) Rules, 1975 are not annexed to this report.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

The information pursuant to Section 217 (1)(e) of the Companies Act, 1956 on Conservation of energy, Research & Development and Technology Absorption are presently not applicable to the Company.

**Foreign Exchange Earnings and Outgo**

	<b>2010-11</b>	<b>2009-10</b>
	<b>(Rs. Lacs)</b>	<b>(Rs. Lacs)</b>
i. Foreign exchange earned	<b>117.63</b>	129.74
ii Foreign exchange used	<b>4.47</b>	2.74
iii Foreign exchange used for import of Capital Goods, Raw Materials etc.	<b>470.11</b>	489.46
iv. Foreign exchange for export of goods	<b>84.56</b>	21.42

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 217 of the Companies Act, 1956, the directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) 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 profit or loss of the Company for the period.

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE:**

Pursuant to revised Clause 49 of Listing Agreement with Bombay Stock Exchange and Clause 51 of the Listing Agreement with Bangalore Stock Exchange, a Management discussion and Analysis report, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of corporate governance are made as a part of the Annual Report

**ACKNOWLEDGMENTS:**

Your Directors wish to place on record their sincere appreciation of the wholehearted co-operation and assistance extended by its Shareholders, Bankers, Investors, Customers and others. The Board also wishes to place on record, its appreciation for the dedicated services of staff and officers of the Company at all levels.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Place : BANGALORE

Date : 26.08.2011

**CHAIRMAN**

## CORPORATE GOVERNANCE REPORT

### 1. Company's philosophy on Corporate Governance:

Thakral Services (India) Limited is managed by the Managing Director under the supervision and control of the Board of Directors. Your Company firmly believes that implementation of good corporate governance will help the Company achieve corporate goals and enhance shareholders' value. It has been our endeavor to give importance on ensuring fairness, transparency, accountability and responsibility to shareholders besides implementing practices voluntarily that would give optimum information and benefit to all stakeholders, customers, employees and the society alike.

### 2. Board of Directors

#### i) Composition

Your Company's Board of Directors comprises of 6 Directors. The Managing Director, 5 are Non-Executive Directors out of which 2 are Independent Directors. The Chairman of the Company is non-executive. The Board structure is as under:

Name of Director	Category
Dr. P Balakrishna Shetty	Independent Director , Chairman
Mr. R.C. Bhavuk	Managing Director, Executive
Mr. K.S. Bawa	Non-Executive, Director
Mr. Bikramjit Singh Thakral	Non-Executive, Director
Mr. C D P Rajendran	Non-Executive, Director
Mr. Joseph Sequeira	Independent Director

#### ii) What constitutes independence of Directors :

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

iii) Details of Memberships of the Directors in other Boards and in Board committees as on 31<sup>st</sup> March, 2011 are as under :

Name of Director	Directorship in other Companies	Details of Committee	
		Member	Chairman
Mr. R.C. Bhavuk	16	1	Nil
Mr. K. S. Bawa	17	2	1
Mr. C D P Rajendran	3	Nil	Nil
Dr. P Balakrishana Shetty	Nil	Nil	2
Mr. Joseph Sequeira	Nil	2	Nil
Mr. Bikramjit Singh Thakral	Nil	Nil	Nil

iv) Board Procedure:

**Number of Board Meetings held and the dates on which held**

Since the commencement of the financial year 2010-2011, a total of 5 Board meetings were held on the following dates viz. 12.05.2010, 31.07.2010, 27.08.2010, 12.11.2010, and 12.02.2011. The maximum time gap between two board meetings was not more than four calendar months.

**Attendance of Directors:**

The following table gives details of participation in Board Meetings and Annual General Meetings of your Company and interests of directors in other Companies

Name of Director	Meetings		Attendance at last AGM held on 30 <sup>th</sup> September, 2010
	Held	Attended	
Mr. R.C. Bhavuk	5	5	YES
Mr. K. S. Bawa	5	5	YES
Mr. C D P Rajendran	5	Nil	NO
Dr. P Balakrishana Shetty	5	4	YES
Mr. Joseph Sequeira	5	5	YES
Mr. Bikramjit Singh Thakral	5	NIL	NO

**Circulation of Information and Board material :**

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the relevant papers for the Board Meeting are circulated in advance to facilitate the Board members to take informed decision. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. However, in case of urgent business need the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting.

v) Disclosure regarding appointment/re-appointment of Directors :

Mr.Kanwaljeet Singh Bawa, Mr.Balakrishna Shetty and Mr.Chennotta Divakara Prabu Rajendran are Directors retiring at the ensuing Annual General Meeting being eligible offers themselves for re-appointment.

### 3. Audit Committee:

#### i) Constitution and Composition of the Audit Committee

The Audit Committee of the Board of Directors has its constitution in compliance of provisions of the Corporate Governance requirements (as per Clause 49) of the Listing Agreement.

The Audit committee consists of three Directors as under:

1) Dr. P Balakrishna Shetty	(Independent Director)	– Chairman
2) Mr. K.S. Bawa	(Non- Executive Director)	– Member
3) Mr. Joseph Sequeira	(Independent Director)	– Member

#### ii) Dates of Audit Committee meeting and Directors Attended.

<u>Date</u>	<u>Directors attended</u>
11.05.2010	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira
29.07.2010	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira
11.11.2010	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira
11.02.2011	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira

#### iii) Terms of Reference

The terms of reference for the Committee as laid down by the Board include the following:

- a) Overseeing your Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management, the quarterly and annual financial statements before submission to the board, focusing primarily on:
  - i) Any change in accounting policies and practices
  - ii) Major accounting entries based on exercise of judgment by management.
  - iii) Qualification in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The going concern assumption.
  - vi) Compliance with accounting standards.
  - vii) Compliance with stock exchange and legal requirements concerning financial statements and other terms of references as required under Companies act, 1956 and listing agreement.

### 4. Remuneration Committee

#### i) Remuneration Policy

The Remuneration Committee determines and recommends to the Board the compensation payable to the Directors. All Board-level compensation is approved by shareholders, and separately disclosed in the financial statements.

The Remuneration Committee makes an annual appraisal of the performance of the Executive Director(s) based on a performance-related matrix. The annual compensation of the Executive Directors(s) is approved by the Remuneration Committee, within the parameters set by the shareholders at the shareholders' meetings.

Remuneration payable to each of the Independent Directors by way of sitting fee is limited to a fixed amount per year as determined and approved by the Board, subject to the limit approved by members of the Company in general meeting and calculated as per the provisions of the Companies Act, 1956.

#### ii) Terms of reference of Remuneration Committee

The remuneration committee may also make recommendations to the Board with respect to incentive compensation plans, remuneration of Non Executive Directors, shall review and reassess the adequacy of this charter annually and recommend any proposed change to the Board for its approval and annually review its own performance.

#### iii) Constitution and Composition of the Remuneration Committee

The Company had constituted the Remuneration Committee in compliance with provisions of the Corporate Governance requirements (Clause 49) of the Listing Agreement.

The Remuneration committee consists of three Non-Executive Directors as under:

- |                             |            |
|-----------------------------|------------|
| 1) Dr. P Balakrishna Shetty | – Chairman |
| 2) Mr. Joseph Sequeira      | – Member   |
| 3) Mr. K.S. Bawa            | – Member   |

### 5. Shareholders' Grievance Committee:

#### i) Constitution of Committee

In pursuance to the Listing Agreement with Stock Exchange(s), the Board had constituted the Shareholders' grievance committee.

#### ii) Composition of the Committee:

The Grievance committee consists of two Directors as under:

- |                    |            |
|--------------------|------------|
| 1) Mr. K.S. Bawa   | - Chairman |
| 2) Mr. R.C. Bhavuk | - Member   |

#### iii) Compliance Officer:

Name and Designation of: Mr.Vasu Srinivasan – Company Secretary.  
Compliance Officer

#### iv) Shareholders' Complaints

The company has received complaints from the shareholders and all complaints were resolved to the satisfaction of shareholders and there is no pending complaints with the Company.

### 6. Information on General Meetings

The last 3 Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue	Whether special resolution passed
2009-10	30.09.2010	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001	YES
2008-09	30.09.2009	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001	No
2007-08	27.09.2008	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001	No

**Note :**

- 1) Special resolution was passed at AGM held on 30.09.2010 for reduction of the capital by reducing the face value of shares of Rs.10/-each to Rs.3/-each.
- 2) Special resolution was passed at AGM held on 30.09.2010 for increasing the authorized capital to Rs.13,00,20,000/-

**7. Disclosures**

- i) There was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Details of related party transactions are disclosed under notes on account, given elsewhere in this report.
- ii) There was no non-compliance by the Company relating to SEBI, Stock exchange, other statutory authorities and requirements relating to capital markets, during the last three years.

**8. Means of Communication**

Quarterly Results are published in two newspapers i.e. Business Standard (English) and Sanjevani (Vernacular language newspaper). The same is displayed in official website of Bombay Stock Exchange ([www.bseindia.com](http://www.bseindia.com)) and no official news releases are made.

**9. GENERAL SHARE HOLDERS' INFORMATION****i. Annual General Meeting**

Date : 30.09.2011  
 Day : Friday  
 Time : 10 AM  
 Venue : Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001  
 (Opposite to HSBC Bank, Near ING Vysya Bank Corporate Office)

**ii. Financial Calendar**

The financial year of the Company is for a period of 12 months from 1st April 2011 to 31<sup>st</sup> March 2012

First Quarter results	: by end of July'2011
Second Quarter results	: by end of October'2011
Third Quarter results	: by end of January'2012
Fourth Quarter results	: by end of April'2012

**iii. Book Closure**

Date of Book Closure : From 23.09.2011 to 30.09.2011 (both days inclusive)

**iv. Listing on stock Exchanges**

- a. Stock Exchange Listing:
  01. Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001
  02. Bangalore Stock Exchange  
Stock Exchange Tower, No.51, 1st cross,  
J.C.Road, Bangalore - 560 027.

It is further submitted for information of shareholders that the Annual listing fees of 2011-2012 has been paid.

b. Stock Exchange Security Code: BSE – 509015 (Name: THAKRAL SER)

**v. Market Price Data**

The details of High & Low share price of equity shares of the Company during each month of the year under review are as under :-

Month	(2010-2011 BSE)	
	High Price	Low Price
Apr-10	44.7	44.7
Aug-10	42.5	40.4
Sep-10	38.4	36.15
Oct-10	34.35	24.5
Nov-10	28.2	26.1
Mar-11	29.55	26.75

(Data Source : [www.bseindia.com](http://www.bseindia.com))

**vi. Registrar and transfer agents**

M/s. Intergrated Enterprises India Ltd  
(Formerly Alpha Systems Pvt. Ltd)  
# 30, Ramana Residency,  
4<sup>th</sup> Cross, Sampige Road, Malleswaram,  
Bangalore –PIN 560 003  
Tel: 080-23460815 / 16 / 17 / 18  
Fax: 080-23460819

**vii. Share Transfer System:**

Equity shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of the document, if documents are found in order. Shares under objection are returned within two weeks. All the transfer requests are approved by the Share Transfer Committee of the Company at its various meetings held during the year under review. The Company conducts periodical audit of share transfer system and securities issued, through competent professionals.

**viii. Shareholding pattern as on 31<sup>st</sup> March'2011**

Sl.No	Category	No. of Shares Held	% of Shareholding
	<b>Holding of Promoter Group</b>		
1.	<b>Promoter Group</b>	<b>8684200</b>	<b>74.00</b>
	<b>Public Share Holding</b>		
2.	Bodies Corporate	1475990	12.58
3.	Individuals upto one Lakh	489890	4.17
4.	Individuals above one Lakh	1085000	9.25
5.	Mutual Funds and UTI	0	0
6.	Banks, Financial Institutions, Insurance Corporation	0	0
	<b>Total Public Shareholding</b>	<b>3050880</b>	<b>26.00</b>
	<b>GRAND TOTAL</b>	<b>11735080</b>	<b>100.00</b>



**ix. Distribution of shareholding as on 31<sup>st</sup> March'2011**

Shares or Debenture holding of nominal value of		Share / Debenture holders		Share / Debenture Amount	
Rs.	P.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Upto	5,000	3655	99.75	4936800	4.21
5,001	- 10,000	1	0.03	80000	0.07
10,001	- 20,000	1	0.03	200000	0.17
20,001	- 30,000	0	0.00	0	0.00
30,001	- 40,000	1	0.03	400000	0.34
40,001	- 50,000	0	0.00	0	0.00
50,001	- 1.00,000	0	0.00	0	0.00
1,00,001	and above	6	0.16	111734000	95.21
<b>TOTAL</b>		<b>3664</b>	<b>100.00</b>	<b>117350800</b>	<b>100.00</b>

**x. Dematerialization of shares :**

Trading in equity shares of the Company is permitted only in the dematerialized form. The Company has arrangements with National Securities Depository Limited (NSDL) to enable the shareholders to hold shares in electronic form with the depository. Out of total equity share capital of 1,17,35,080 Equity shares as on 31<sup>st</sup> March 2011, 54.94% ( 64,46,876 equity shares) are held in dematerialized form with NSDL.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**xi. Nomination Facility :**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose. Shareholders may write to the Company or its Registrars and Transfer Agents for a copy of the Form.

**xii. Address for Correspondence :**

## a. Registered Office :

8<sup>th</sup> Floor "THE ESTATE"  
No.121, Dickenson Road,  
Bangalore - 560042  
Telephone No: 080-25593891  
Fax No: 080-25595739  
Website : www.thakral.com

## b. Address for Investor Correspondence

**Registrar & Share Transfer Agent**

M/s.Integrated Enterprises (India) Ltd  
(Formerly Alpha Systems Pvt. Ltd.)  
# 30, Ramana Residency, 4<sup>th</sup> Cross,  
Sampige Road, Malleswaram,  
Bangalore - 560 003  
Tel: 080-23460815 / 16 / 17 / 18  
Fax: 080-23460819

## DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the board members and senior managerial personnel of the Company have affirmed the Compliance of code of Conduct for the year ended 31<sup>st</sup> March, 2011.

**For and on Behalf of the Board**

**MANAGING DIRECTOR**

Place : Bangalore  
Date : 26.08.2011

### **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

I, Ramesh Chandra Bhavuk, Managing Director of Thakral Services (India) Limited (formerly Primeast Investments Ltd), to the best of our knowledge and belief, certify that:

I have reviewed the balance sheet and profit and loss account, and all its schedules and notes on accounts, as well as the cash flow statement and the Directors Report:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of my 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.
4. I accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

Further, I have indicated to the auditors and the Audit Committee:

1. Significant changes in internal control during the year ;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.

**Ramesh Chandra Bhavuk**  
MANAGING DIRECTOR

Place : Bangalore  
Date : 26.08.2011

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

**To the Members,  
Thakral Services (India) Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. Thakral Services (India) Ltd for the year ended 31<sup>st</sup> March 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our responsibility has been 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.

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 Brahmayya & Co.,  
Firm Registration No.:0005155  
Chartered Accountants.

Place: Bangalore  
Date : 26.08.2011

(G. SRINIVAS)  
Partner  
Membership No. 086761

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Business Review :

The organisation is doing very well in the Electronic Surveillance Solution business, especially in the Banking Segment. It has got itself empanelled in many of the banks, thereby enabling continuous business growth. Apart from that, it has started spreading its roots across wider territories - where the market can be grown at a faster phase, using the credibility already established in the other areas. Apart from Surveillance, the organisation has entered into the field of Bio-Metrics as well. Few orders have been already won on this front and implementation had been done through.

### 2. Opportunities and Threats :

**Opportunities :** The organisation has already made its presence in the banking sector well. The business in this sector has started growing and with the credibility already established, it is seeing a large opportunity at its front. With the norms introduced by RBI insisting that banks have to implement CCTV in all their branches, and with already our credibility established in the banking segment, it is felt that the business will grow in good proportions in the years to come. Also, the organisation has started participating in the opportunities across other segments like Schools, Hospitality, Health, Government and Defence sectors, where also the market has started growing.

**Threats :** Of course, when a market grows in a particular field, competition is going to get wider and tougher, and the margins will get lowered. However, we are confident that this can be met with through better resourcing of materials and co-ordination with sales management.

### 3. Internal Control system:

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and applicable statutes, Code of Conduct and corporate policies are duly complied with.

The Company had reconstituted the Audit committee, which is now headed by Dr. P. Balakrishna Shetty who is a Non-executive Independent Director serving on the Board. The audit committee reviews the internal control system and other terms of reference at regular intervals, which is more specifically detailed in the Corporate Governance Report. The Audit committee continuously reviews the adequacy and efficacy of the internal controls. The audit observations are followed up for implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain their views on the adequacy of the internal control systems in the Company and their observations on the financial reports. The Audit Committee's observations are acted upon by the Management.

### 4. Future Outlook :

With the opportunity growing and our presence widening, we are confident that our returns are going to be better and better in all spheres like turn over, profitability and shareholders' wealth.

### 5. Financial:

The present capital base of the Company is Rs.11.73 Crores. The Company's performance during the last year resulted in a net profit of Rs.102.32 lakhs after depreciation and provisions.

## 6. Human Resource Management :

The organisation gives high importance to the procedure on recruitment, manpower training and employee welfare measurements. The board does recognise the hard work and special achievements of individuals through defined methods , so that the morale of other employees as well are kept on high spirits. It is indeed understood by one and all that good results can be achieved only through collective steps and execution , and as spelt earlier , all are confident on achieving the same.

### AUDITORS' REPORT

#### TO THE SHARE HOLDERS OF THAKRAL SERVICES (INDIA) LIMITED

1. We have audited the attached Balance sheet of M/s. **THAKRAL SERVICES (INDIA) LIMITED** ('the Company') as at 31<sup>st</sup> March, 2011, Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 and based on such checks as we considered appropriate and according to the information and explanations given to us, we state our comments on the matters specified in paragraphs 4 and 5 of the said order in the Annexure enclosed.
4. Further to our comments in the Annexure referred to above, 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 the books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act 1956; and
- f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2011:
  - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - (iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on the date.

For **Brahmayya & Co.**,  
Firm Registration No.:000515S  
Chartered Accountants

Place: Bangalore  
Date : 26th August, 2011

**G. Srinivas**  
Partner  
Membership No.:086761

**Annexure to Auditors' Report**

Referred to in paragraph 3 of our report of even date

- i) (a) The Company has maintained proper records showing full Particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, in our opinion, the Company has not disposed off any major part of fixed assets and there by does not affects the going concern status of the Company.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed the management are reasonable and adequate in relation to the size of the company and nature of the business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt within the books of accounts.
- iii) (a) The Company has not given any loans, secured or unsecured, to any company, firm or other parties listed in the Register maintained under section 301 of the Act. Accordingly, clauses (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable for the year.
- (b) The Company has taken interest free loans, from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Details are as follows:

SL No.	Name	Maximum Amount Outstanding during the year (Rs.)	Balance as at 31st March, 2011 (Rs.)
1	Raffles Solutions Pvt. Ltd	2,13,36,323	1,16,83,682
2	Westminster Developments Pvt	48,13,192	48,13,192
3	Normandy Developments Pvt Ltd	59,59,411	59,54,749
4	Glade Trading Co.Pvt Ltd	39,08,900	39,08,900
5	Minnow Trading Co. Pvt ltd	6,07,722	5,55,308

SL No.	Name	Maximum Amount Outstanding during the year (Rs.)	Balance as at 31st March, 2011 (Rs.)
6	Netizen Properties Pvt Ltd.	73,60,674	73,60,674
7	Thakral Computers Private Limited	7,00,000	7,00,000
8	Inderbethal Singh Thakral	36,30,000	36,30,000
	<b>Total</b>		<b>3,86,06,50</b>

- (f) The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.
- (g) Since the aforesaid loans taken by the company are repayable on demand and there is no repayment schedule, the question of repayment being regular does not arise.
- 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 the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public; as such the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, do not apply.



- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The central Government has not prescribed the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is generally regular, *though there have been delays* in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it. There are no arrears of outstanding undisputed statutory dues as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the records of the Company and information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty/Cess which have not been deposited on account of dispute.
- x) The Company has accumulated losses as at 31<sup>st</sup> March, 2011, which are more than fifty percent of its net worth. However, the Company has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- xi) Based on our audit procedures and According to the information and explanations given to us, we are of the opinion that Company has not defaulted in repayment of dues to the financial institutions/ banks. The Company has not issued any Debentures.
- 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. Accordingly, clause (xii) of paragraph 4 of the Order is not applicable for the year.
- xiii) The provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to the Company. Accordingly, clause (xiii) of paragraph 4 of the Order is not applicable.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or a trader in Securities. Accordingly, clause (xiv) of paragraph 4 of the Order is not applicable.

- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, clause (xv) of paragraph 4 of the Order is not applicable for the year.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xvii) Based on the information and explanations given to us and an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.
- 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 Companies Act, 1956 during the year and therefore paragraph 4 Clause (xviii) of the order is not applicable to the Company.
- xix) The Company has not issued debentures during the year and therefore paragraph 4 (xix) of the Order is not applicable.
- xx) The Company has not raised any money by public issues during the year and therefore paragraph 4 (xx) of the Order is not applicable.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of the fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Brahmayya & Co.**,  
Firm Registration No.:000515S  
Chartered Accountants

Place: Bangalore  
Date : 26th August, 2011

**G. Srinivas**  
Partner  
Membership No.:086761

**THAKRAL SERVICES (INDIA) LIMITED**  
**Balance Sheet As at 31st March, 2011**

(Amount in Rs.)

	Particulars	Sch No.	Details	As at 31st March, 2011	Details	As at 31st March, 2010
<b>I.</b>	<b>SOURCES OF FUNDS :</b>					
1	Shareholders' Funds					
	Share Capital	1		117,350,800		128,576,460
2	Loan Funds					
	a) Secured Loans	2		17,880,775		19,829,452
	b) Unsecured Loans	3		38,606,505		35,157,919
	<b>TOTAL</b>			<b>173,838,080</b>		<b>183,563,831</b>
<b>II.</b>	<b>APPLICATION OF FUNDS</b>					
1	FIXED ASSETS	4				
	Gross Block		7,532,318		6,827,462	
	Less: Depreciation		1,853,152		1,460,841	
	Net Block			5,679,166		5,366,621
2	INVESTMENTS	5		156,410		156,410
3	DEFERRED TAX ASSETS			859,866		-
4	CURRENT ASSETS , LOANS AND ADVANCES					
	a) Inventory	6	13,100,692		27,859,377	
	b) Sundry Debtors	7	118,864,397		78,492,732	
	c) Cash and Bank Balances	8	3,111,885		3,581,773	
	d) Loans and Advances	9	28,122,586		31,842,237	
			163,199,561		141,776,119	
	Net Current Assets			96,229,274		96,895,158
	Profit & Loss Account			70,913,365		81,145,642
	<b>TOTAL</b>			<b>173,838,080</b>		<b>183,563,831</b>
	<b>Notes to Accounts</b>	18				

The schedules referred to above and the Notes to Accounts form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date  
For **Brahmayya & Co.,**  
Firm Registration Number: 000515S

**Chartered Accountants**

(G. Srinivas)

Partner

Membership No.: 086761

**For and on behalf of the Board of Directors of  
THAKRAL SERVICES (INDIA) LIMITED**

(R.C. Bhavuk)

Managing  
Director

(K.S.Bawa)

Director

(Vasu Srinivasan)

Company Secretary

Place: Bangalore

Date: 26th August, 2011

**THAKRAL SERVICES (INDIA) LIMITED**  
**Profit & Loss Account for the Year Ended 31st March, 2011**

(Amount in Rs.)

	Particulars	Sch No.	Current Year	Previous Year
<b>I</b>	<b>INCOME</b>			
	a) Income from Sales and Services	11	242,037,814	144,046,542
	b) Other Income	12	7,679,300	14,399,815
		[A]	<b>249,717,114</b>	<b>158,446,357</b>
<b>II</b>	<b>EXPENDITURE</b>			
	a. Cost of Goods Sold/ Services	13	167,201,314	97,136,653
	b. Service Cost	14	7,911,347	3,581
	c. Establishment Expenses	15	35,210,972	29,303,997
	d. Administration Expenses	16	24,526,432	24,336,961
	e. Finance Charges	17	2,912,141	1,085,662
	f. Depreciation	4	1,182,497	580,024
		[B]	<b>238,944,703</b>	<b>152,446,878</b>
	Profit / (Loss) Before Tax : [A-B]		<b>10,772,410</b>	<b>5,999,479</b>
	<b>Less:</b>			
	Income Tax - Current		1,400,000	412,876
	<b>Add:</b>			
	Deferred Tax - Asset		859,866	-
	Net Profit / (Loss) after Tax		<b>10,232,276</b>	<b>5,586,603</b>
	(Loss) brought forward from earlier years		(81,145,642)	(86,732,245)
	(Loss) carried over to Balance Sheet		(70,913,365)	(81,145,642)
	Earning per share- Basic		0.87	0.48
	Earning per share- Diluted ( Refer Note No.II( 12) of Schedule 18)		0.87	0.43
	<b>Notes to Accounts</b>	18		

The schedules referred to above and the Notes to Accounts form an integral part of the Profit and Loss Account.  
This is the Profit and Loss Account referred to in our report of even date

For **Brahmayya & Co.**,  
Firm Registration Number: 000515S  
**Chartered Accountants**

For and on behalf of the Board of Directors of  
**THAKRAL SERVICES (INDIA) LIMITED**

**(G. Srinivas)**  
Partner  
Membership No.: 086761

**(R.C. Bhavuk)**  
Managing Director

**(K.S.Bawa)**  
Director

**(Vasu Srinivasan)**  
Company Secretary

Place: Bangalore  
Date: 26th August, 2011

## THAKRAL SERVICES (INDIA) LIMITED

## Schedules to Balance Sheet As at 31st March, 2011

Particulars	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL:</b>		
Authorised Capital 13000000 (Equity shares of Rs. 10/- each)	130,000,000	130,000,000
Issued ,Subscribed and Paid Up Capital 11735080 (Equity shares of Rs.10/- each)	117,350,800	117,350,800
Share application money pending allotment	-	11,225,660
	<b>117,350,800</b>	<b>128,576,460</b>
<b>SCHEDULE : 2</b>		
<b>SECURED LOANS :</b>		
<b>Cash Credit from Canara Bank, Bangalore</b>	17,880,775	19,829,452
(Secured by way of hypothecation of the stocks and book debts, Equitable Mortgage of commercial bearing property Khata no: 48/24, PID No: 81-6-48/24 situated in the eight floor, ( Rear Block) of the building known as the "ESTATE" No: 48, Dickenson Road, Bengaluru- 560042, standing in the name of M/s Thakral Computers Pvt Limited.)		
	<b>17,880,775</b>	<b>19,829,452</b>
<b>SCHEDULE : 3</b>		
<b>UNSECURED LOANS:</b>		
Interest Free Loans from Associated Companies	38,606,505	35,157,919
	<b>38,606,505</b>	<b>35,157,919</b>

## THAKRAL SERVICES (INDIA) LIMITED

## Schedules to Balance Sheet As at 31st March, 2011

## Fixed Assets

## SCHEDULE - 4

(Amount  
in Rs.)

Description Of Assets	Gross Block				Depreciation				Net Block	
	As At	Additions	Deletions	As At	Up To	For The	Adjustment On Deletions	As At	As At	
	01.04.2010			31.03.2011	1.4.2010	Period		31.03.2011	31.03.2011	31.3.2010
Office Equipment	2,894,366	459,243	44,022	3,309,587	848,639	330,070	28,261	1,150,448	2,159,139	2,045,717
Furniture & Fixtures	3,933,096	1,051,560	761,925	4,222,731	612,202	852,427	761,925	702,704	3,520,027	3,320,814
<b>Total</b>	<b>6,827,462</b>	<b>1,510,803</b>	<b>805,947</b>	<b>7,532,318</b>	<b>1,460,841</b>	<b>1,182,497</b>	<b>790,186</b>	<b>1,853,152</b>	<b>5,679,166</b>	<b>5,366,531</b>
<b>Previous Year</b>	<b>5,731,041</b>	<b>1,096,421</b>		<b>6,827,462</b>	<b>880,817</b>	<b>580,024</b>		<b>1,460,841</b>	<b>5,366,621</b>	<b>4,850,225</b>

Particulars	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE : 5</b>		
<b>INVESTMENTS :</b>		
<b>Non-Trade - Quoted</b>		
a) Shares in M/s Jaiprakash Associates Ltd		
(PY 15750 (Equity Shares of Rs.2 each)	156,410	156,410
(Market Value Rs.14,56,875/- as on 31/3/2011 )		
	<b>156,410</b>	<b>156,410</b>

Particulars	As at 31st March, 2011	As at 31st March, 2010
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>SCHEDULE : 6</b>		
<b>INVENTORY</b>		
Traded Goods	13,100,692	27,859,377
	<b>13,100,692</b>	<b>27,859,377</b>
<b>SCHEDULE : 7</b>		
<b>Sundry Debtors</b>		
- Considered Good		
More than 6 months	35,506,527	30,863,239
Less than 6 months	83,357,870	47,629,463
- Considered doubtful	40,795	2,201,578
	<b>118,905,192</b>	<b>80,694,279</b>
Less : Provision for Bad & doubtful debts	40,795	2,201,548
	<b>118,864,397</b>	<b>78,492,732</b>
<b>SCHEDULE : 8</b>		
<b>Cash and Bank Balance</b>		
i. Cash on Hand	183,450	2,718,350
ii. With Banks Current Account	1,354,658	553,238
iii. In Deposit (under lien)	1,573,777	310,185
	<b>3,111,885</b>	<b>3,581,773</b>

<b>SCHEDULE : 9</b>		
<b>Loans and Advances</b>		
i) Advance tax/TDS	3,455,467	2,289,478
ii) Advance FBT	775,118	775,118
iii) Advances Against Purchases	2,053,314	5,014,448
iv) Advance to Employees Against Salary & Expenses	1,466,086	1,067,969
v) Balances with Government Authorities	1,245,161	1,260,269
vi) Retention Money with Customers	8,081,859	14,901,982
vii) Deposits with Govt Departments	35,908	77,908
viii) Rental and Earnest Money Deposit and Others	6,510,052	5,506,023
ix) Pre-paid expenses	124,315	924,468
x) Other Advances	4,375,308	24,575
	<b>28,122,586</b>	<b>31,842,237</b>
<b>Total Current Assets, Loan &amp; Advances</b>	<b>163,199,561</b>	<b>141,776,118</b>

<b>Particulars</b>	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
<b>SCHEDULE : 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. Current Liabilities</b>		
i) Sundry Creditors	35,162,939	23,712,271
ii) Other Creditors for Expenses	5,231,437	2,339,982
iii) Duties & Taxes Payable	5,802,161	4,563,397
iv) Accrued Charges	257,000	255,940
v) Income Received in Advance	1,773,625	882,233
vi) Advances Received from Customers	3,112,459	1,889,375
vii) Expenses Payable	10,010,650	6,004,911
viii) Bank Overdraft balance	-	2,622,863
	<b>61,350,270</b>	<b>42,270,972</b>



<b>B. Provisions</b>		
i) Leave encashment	643,581	319,172
ii) Gratuity	1,698,656	431,169
iii) Superannuation	285,600	285,600
iv) Provision for FBT	282,385	282,385
v) Provision for Income Tax	1,812,876	412,876
vi) Provision for Warranty	896,919	878,787
	-	-
	<b>5,620,017</b>	<b>2,609,989</b>
<b>Total Current Liabilities and Provisions</b>	<b>66,970,287</b>	<b>44,880,961</b>

## THAKRAL SERVICES (INDIA) LIMITED

## Schedules to Profit and Loss Account for the year ended 31st March, 2011

Particulars	Current Year	Previous Year
<b>SCHEDULE :11</b>		
<b>INCOME FROM SALES:</b>		
Sales - Domestic	215,327,197	136,793,366
Export Sales	8,455,696	2,142,723
<b>INCOME FROM SERVICES:</b>		
Service & Installation Charges Received	8,977,030	5,110,453
Service Income - Export	7,127,647	-
Income from Annual Maintenance Contracts	2,150,244	-
	<b>242,037,814</b>	<b>144,046,542</b>
<b>SCHEDULE :12</b>		
<b>OTHER INCOME:</b>		
Commission from Marketing Services	6,110,648	13,726,352
Exchange Fluctuation Gain	130,276	388,045
Dividend on Investment	39,165	13,020
Interest on Fixed Deposits	118,085	29,975
Excess Provisions for Earlier Year Written Back	1,195,793	202,400
Sundry Credit Balances Written back	81,402	22,634
Miscellaneous income	3,931	17,389
	<b>7,679,300</b>	<b>14,399,815</b>
<b>Total Income</b>	<b>249,717,114</b>	<b>158,446,357</b>

Particulars	Current Year	Previous Year
<b>SCHEDULE : 13</b>		
<b>COST OF GOODS SOLD/ SERVICES</b>		
Opening Stock	27,859,377	16,857,763
Purchases - Local	91,478,722	53,920,471
Purchases - Import	47,010,979	48,946,289
Carriage & Freight Inward	1,162,112	369,792
Commission & Brokerage	19,000	51,413
Cabling and Installation charges	12,541,127	4,706,834
Octroi Charges Paid	185,532	134,648
Packing Material	44,767	7,460
Toolkit Expenses	390	1,360
	<b>180,302,006</b>	<b>124,996,030</b>
Less :Closing Stock	13,100,692	27,859,377
	<b>167,201,314</b>	<b>97,136,653</b>
<b>SCHEDULE : 14</b>		
<b>SERVICE COST</b>		
Training and Seminar service cost	5,982,559	-
Annual Maintenance Expenses	1,920,000	-
Repairing Charges	8,788	3,581
	<b>7,911,347</b>	<b>3,581</b>

<b>SCHEDULE : 15</b>		
<b>ESTABLISHMENT EXPENSES</b>		
Salaries & Allowances	27,625,459	23,837,734
Directors Remuneration	1,487,167	1,487,167
Contributions to Provident Fund & Employees State Insurance Fund	1,629,454	1,529,169
Superannuity & Gratuity Contribution	1,325,180	98,318
Motor Car Expenses Reimbursement	286,253	543,828
Rent - Co's Leased Accommodation	214,546	45,500
Staff Welfare	2,642,913	1,762,281
	<b>35,210,972</b>	<b>29,303,997</b>

<b>SCHEDULE : 16</b>		
<b>ADMINISTRATION EXPENSES</b>		
Insurance	345,887	138,160
Rent	5,306,923	6,563,543
Rates & Taxes	29,059	428,767
Printing & Stationery	781,649	527,284
Communication Expenses	2,733,884	2,038,592
Electricity Charges	710,413	751,631
Repairs & Maintenance		
For Building	156,769	1,228
For Vehicles	52,975	-
For Others	186,124	104,384
Travelling and Conveyance	6,093,351	4,843,891
Legal and Consultancy	1,329,666	769,797
Security Service Charges	475,713	452,734
Selling & Distribution Expenses	2,611,782	5,688,217
Listing fee	127,725	30,386
Books & Periodicals	11,626	14,561
AGM Expenses	77,900	54,171
Directors Sitting Fees	16,000	24,000
Miscellaneous expenses	1,332,724	888,806
Payment to Auditors		
For Audit	250,000	150,000
For Expenses	16,539	363
Demat Charges	80,958	14,656
Loss on sale of Investment/asset	15,761	-
Donation	149,200	21,300
Bad Debts Written Off	1,633,804	830,490
	<b>24,526,432</b>	<b>24,336,961</b>

<b>SCHEDULE : 17</b>		
<b>FINANCE CHARGES</b>		
Interest paid	2,370,830	925,667
Bank charges	541,311	159,995
	<b>2,912,141</b>	<b>1,085,662</b>

**Schedule 18: Statement on Significant accounting Policies and Notes on Accounts****I. Significant Accounting Policies:****1. Accounting Assumption**

The financial Statements are prepared under historical cost convention in accordance with the generally Accepted Accounting Principles in India, the Accounting Standards notified under section 211 (3C) of The Companies Act.1956 of India (the 'Act') and other relevant provisions of the Act.

**2. Fixed Assets**

Fixed Assets in the Gross Block are stated at original cost. Additions to Fixed Assets are stated at cost of acquisition and all costs relating to the acquisition and installation up to the date the asset is put into use are capitalised.

**3. Depreciation**

Depreciation is provided on straight line method at the rates based on the estimated useful lives of the assets or those prescribed under Schedule XIV of the Companies Act 1956, whichever is higher.

Leasehold improvements are amortized over shorter of estimated useful lives or Lease period.

**4. Borrowing Costs**

Borrowing costs that are attributable to acquisition construction or production of a qualifying asset are capitalized as a part of cost of such asset. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**5. Impairment of Assets**

All fixed assets are assessed for any indication of impairment at each balance sheet date based on internal / external factors. On any such indication the impairment loss (being the excess of carrying value over the recoverable value of the asset) is immediately charged to the Profit and Loss Account. 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 weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**6. Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost except where there is a diminution in value other than temporary, in which case the carrying value is reduced to recognize the decline. Current investments are valued at lower of cost and fair value determined on an individual investment basis.

**7. Inventories**

Inventories are valued at lower of cost or net realizable value. Cost is computed with issues being made on FIFO basis.

The stock on hire, under hire purchase agreements are shown at agreement value, less amount received.

**8. Foreign exchange transaction**

Foreign currency transactions are recorded in the reporting currency, at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain / loss is recognised in the financial statements.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Monetary assets and monetary liabilities other than long term are translated at the exchange rate prevailing on the balance sheet date and the resultant gain/loss is recognised in the financial statements.

**9. Revenue / Expenditure recognition**

Sales of products are recognised on despatch to customers and are exclusive of trade discounts, sales tax and other taxes. Income accruing in the accounting year and ascertainable/realisable with reasonable certainty on the date of financial statements is taken into account.

Revenue from Installation services are recognised on accrual basis, when Installation is completed and it is probable that an economic benefit will be received which can be quantified reliably.

Revenues from AMC Service are recognised on a time proportion basis.

Expenses accruing in the accounting year and ascertainable with reasonable accuracy on the date of financial statement are provided in the accounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

**10. Retirement benefits to employees**i. Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund, employees state insurance etc., are charged to profit and loss account on accrual basis.

ii. Defined Benefit Plan

Gratuity for employees is generally covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

iii. Other Long term employee benefits

Other Long term employee benefits comprise of Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation carried out at each balance sheet date. Actuarial gains and losses are recognised immediately in the profit and loss account as income or expense.

iv. Short term employee benefits

Short term employee benefits, including accumulated compensated absences as at the Balance Sheet date, are recognized as an expense as per Company's schemes based on the expected obligation on an undiscounted basis.

**11. Taxes on Income**

Provision for income tax comprises current taxes and deferred taxes. Current tax is determined on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences being the differences between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are measured on the timing differences applying the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

**12. Impairment of Assets**

Consideration is given at the balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use.



**13. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**14. Leases**

Assets acquired under Leases, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired as leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis as per terms of the lease.

**15. Warranty**

The company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past experience of claims.

**16. Earnings / (Loss) per share**

The basic earnings / (loss) per share are computed by dividing the net profit/(loss) after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings / (loss) per share, if any are computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

**II. Notes to Accounts :****1. Contingent Liabilities not provided for**

Bank Guarantee outstanding in respect of customs and others Rs. 51,54,620/- (March 31, 2010 – Rs.4, 85,097).

2. The Board of Directors of the Company at the meeting held on August 27, 2010 have approved the Reduction of Share Capital as per provision of section 100 to 104 of Companies Act, to reduce the share capital of the company from 11,73,50,800/- divided into 1,17,35,080 equity shares of Rs 10/- each to Rs 3,52,05,240/- divided into 1,17,35,080 equity shares of Rs. 3/- each, subject to approval of the Shareholders by way special resolution and confirmation of Hon'ble High Court of Karnataka. The Shareholders of the Company at the Annual General Meeting held on September 30, 2010 have resolved by passing Special resolution in accordance with Section 189 to give effect to the resolution passed by Board of Directors. The Capital Reduction was filed with the Honorable High Court of Karnataka on February 4, 2011 and no shareholder or creditor has opposed for reduction of share capital. The Hon'ble High Court has confirmed the Capital reduction and passed the order on March 31, 2011. The certified true copy of Order was received

by the Company on April 23, 2011. Subsequently, the Company has filed Form No.21 with ROC on April 27, 2011 and ROC has registered the alteration of Shares on May 10, 2011. Effect of this was not given in the books of accounts for the year ended 31<sup>st</sup> March, 2011.

### 3. Secured Loans

Working Capital loan sanctioned by Commercial Bank are Secured by way of hypothecation of the stocks and book debts, Equitable Mortgage of commercial bearing property Khata no:48/24, PID No: 81-6-48/24 situated in the eight floor, ( Rear Block) of the building known as the "ESTATE" No: 48, Dickenson Road, Bengaluru- 560042, standing in the name of M/s Thakral Computers Pvt Limited.

### 4. Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act)

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(Amount in Rs.)

SL No	Particulars	Current Year	Previous Year
1.	Principal amount due and remaining unpaid	-	-
2.	Interest due on (1) above and the unpaid interest	-	-
3.	Interest paid on all delayed payments under the MSMED Act.	-	-
4.	Payment made beyond the appointed day during the year	-	-
5.	Interest due and payable for the period of delay other than (3) above	-	-
6.	Interest accrued and remaining unpaid	-	-
7.	Amount of further interest remaining due and payable in succeeding years		

## 5. Particulars of Stock

## i. Purchases

Class of Goods	Current Year			Previous Year		
	Quantity Nos.	Value	Rs.	Quantity Nos.	Value	Rs.
Stand alone DVR	3,495	3,92,68,055		2,120	3,21,75,887	
<u>Cameras</u>						
a) Dome Cameras	6,882	1,28,60,742		3,904	53,60,142	
b) C-Mount Cameras	2,145	51,83,556		1,295	41,07,096	
c) Cameras- Others	8,680	1,43,36,786		5,251	1,56,12,897	
DVD Cards	234	29,27,350		433	33,59,314	
Lens	4,853	17,30,772		3,180	15,25,607	
Camera Accessories	8,442	18,60,839		7,536	15,59,469	
Cable Accessories	7,87,700	3,90,52,380		7,20,670	2,61,78,855	
Other Parts	6,528	2,12,69,221		11,112	1,29,87,493	
<b>Total</b>		<b>13,84,89,701</b>			<b>10,28,66,760</b>	

## ii. Sales

Class of Goods	Current Year			Previous Year		
	Quantity Nos.	Value Rs.		Quantity Nos.	Value	Rs.
Stand alone DVR	3,130	10,05,67,153		1,583	5,59,11,431	
<u>Cameras</u>						
a) Dome Cameras	5,152	1,55,45,020		3,876	79,12,289	
b) C-Mount Cameras	1,671	64,66,560		1,383	38,87,925	
c) Cameras	6,634	1,30,80,526		3,953	1,34,52,184	
DVD Cards	218	34,39,358		524	54,75,080	
Lens	3,497	2,64,897		2,992	3,72,416	
Camera Accessories	8,203	38,47,568		5,913	9,82,355	
Cable Accessories	7,78,011	3,48,35,468		6,83,210	2,60,28,612	
Other Parts	4,477	2,21,49,856		11,822	2,49,13,797	
Add: HP Sales		2,35,86,487				
<b>Total</b>		<b>22,37,82,893</b>			<b>13,89,36,089</b>	

## iii. Closing Stock

Class of Goods	As at 31-03-2011		As at 31-03-2010	
	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
Stand alone DVR Cameras	1,763	32,96,630	1,398	90,41,971
a) Dome Cameras	5,555	13,88,508	3,825	35,62,019
b) C-Mount Cameras	1,108	7,05,791	634	27,37,692
c) Cameras	4,419	13,85,333	2,373	25,95,166
DVD Cards	412	16,67,859	396	14,96,431
Lens	1,804	2,43,763	448	1,96,392
Camera Accessories	3,625	3,64,879	3,386	6,00,072
Cable Accessories	55,448	16,87,943	45,759	26,44,669
Other Parts	6,561	23,59,987	4,510	49,84,965
<b>Total</b>		<b>1,31,00,693</b>		<b>2,78,59,377</b>

\* Closing stock includes goods sold on hire purchase.

## 6. Related Party Disclosure

## a) List of Related Party and Relationship:

	Related Party	Relationship
A.	<b>Enterprises where directors have significant influence:</b> M/s. Westminster Developments Pvt. Ltd. M/s. Normandy Developments Pvt. Ltd. M/s. Minnow Trading Company Pvt. Ltd. M/s. Glade Trading Company Pvt. Ltd. M/s. Thakral Computers Pvt. Ltd. M/s. Raffles Solutions Pvt. Ltd. M/s. Future World (India) Pvt. Ltd. M/s. Netizen Properties Pvt Ltd	
B.	Key Management Personnel Mr. R.C. Bhavuk	Managing Director
C.	Relative of Key Management Personnel: Mrs. Beena Sharma	Wife of Mr. R.C. Bhavuk

## b) Summary of the Related Party Transaction:

Sl. No.	Related Party Transactions	April 1st, 2010 to March 31st, 2011 (Rs.)	April 1st, 2009 to March 31st, 2010 (Rs.)
1	Remuneration: Key Management Personnel R.C.Bhavuk	14,87,167	14,87,167

<b>2</b>	Thakral Computers Pvt Ltd (Refer Note-1) Purchases Sales Expenses Reimbursed Service Provided	12,422 14,58,813 7,285 35,79,648	2,08,859 19,40,704 1,19,301 15,41,251
<b>3</b>	Outstanding balances: Future World (India) Pvt. Ltd Thakral Computers Pvt Ltd	2,71,46,518 3,83,147	2,68,70,202 3,83,147
<b>4</b>	Unsecured loans availed/(repaid) during the year from companies where directors have significant influence*	34,48,586	(1,26,03,954)
<b>5</b>	Closing balance of unsecured loans from companies where directors have significant influence	3,86,06,505	3,51,57,919

**Note 1:** The Company is in the process of obtaining Central Govt. approval for the transactions with applicable related parties. ,

#### Break up of Unsecured Loans from Associates

Name	Opening Balance Rs.	Maximum outstanding during the year Rs.	Closing Balance Rs.
Raffles Solutions Pvt. Ltd	1,98,68,694	2,13,36,323	1,16,83,682
Westminster Developments Pvt Ltd	48,13,192	48,13,192	48,13,192
Normandy Developments Pvt Ltd	59,59,411	59,59,411	59,54,749
Glade Trading Co.Pvt Ltd	39,08,900	39,08,900	39,08,900
Minnow Trading Co. Pvt Ltd	6,07,722	6,07,722	5,55,308
Netizen properties Pvt Ltd	-	73,60,674	73,60,674
Thakral Computers Pvt Limited	-	7,00,000	7,00,000
Inderbethyl Singh Thakral	-	36,30,300	36,30,000
<b>Total</b>	<b>3,51,57,919</b>		<b>3,86,06,505</b>

#### 7. Director's Remuneration Included in Salaries and Wages

Particulars	Current Year Rs.	Previous Year Rs.
Salary	7,20,000	7,20,000
Allowances and Perquisites	6,80,767	6,80,767
Company's contribution to PF	86,400	86,400
<b>Total</b>	<b>14,87,167</b>	<b>14,87,167</b>

#### 8. Auditors Remuneration

Audit Fees ( Excluding Service Tax)	Current Year Rs.	Previous Year Rs.
Statutory Audit	2,00,000	1,00,000
Tax Audit	50,000	50,000
<b>Total</b>	<b>2,50,000</b>	<b>1,50,000</b>

## 9. Value of Imports on CIF Basis

Particulars	Current Year Rs.	Previous Year Rs.
1. Components & Spares	4,70,10,980	4,89,46,289
<b>Total</b>	<b>4,70,10,980</b>	<b>4,89,46,289</b>

## 10. Expenditure in Foreign Currency

Particulars	Current Year Rs.	Previous Year Rs.
1. Travelling expenditure	3,02,799	1,51,401
2. Others	1,43,708	1,00,879
<b>Total</b>	<b>4,46,507</b>	<b>2,73,904</b>

## 11. Earnings in Foreign Currency

Particulars	Current year Rs.	Previous Year Rs.
1. Export of goods on FOB basis	84,55,696	21,42,723
2. Commission from Marketing Services	24,84,882	1,29,74,369
3. Income from Arrangement Training	92,77,891	-
<b>Total</b>	<b>2,02,18,469</b>	<b>1,51,17,092</b>

## 12. Earnings Per Share

Particulars	Current Year Rs.	Previous Year Rs.
Profit Available to Shareholders	1,02,32,276	55,86,603
Weighted Average Number of Equity Shares in Calculating Basic EPS	1,17,35,080	1,17,35,080
Weighted Average Number of Equity Shares in Calculating Diluted EPS :	1,17,35,080	1,28,57,646
Earnings Per Share- Basic	0.87	0.48
Earnings Per Share- Diluted*	0.87	0.43

\*Share application money pending allotment was refunded / converted to loan during the year based on the request of the subscriber. Hence it was not considered for calculation of diluted EPS in the current year.

**13. Deferred Taxation****Deferred tax assets and Deferred tax liabilities arising on account of timing differences**  
(Amount in Rs.)

Particulars	2010-11
<b>a) Deferred Tax Assets</b>	
Provision for Gratuity/Leave encashment/Warranty/Doubtful Debts Disallowed U/s 43B	10,64,180
	10,64,180
<b>b) Deferred Tax Liabilities</b>	
Depreciation	2,04,314
Net Deferred tax assets	2,04,314
<b>c) Net Deferred Tax Assets</b>	8,59,866

**14. Provisions**

(Amount in Rs.)

Particulars	Opening Balance	Paid/Reversed during the year	Provision during the year	Closing Balance
Provision for Leave Salary	3,19,172	(47,667)	3,72,076	6,43,581
Provision for Warranty	8,78,787	(6,31,170)	6,49,302	8,96,919
Provision for Bad Debts	22,01,548	(21,60,753)	-	40,795
<b>Total</b>	<b>33,99,507</b>	<b>(28,39,590)</b>	<b>10,21,378</b>	<b>15,81,295</b>

**15. Employee Benefits**

As per Accounting Standard 15 "Employee benefits", the disclosure as defined in the Accounting Standard are given below

**a) Defined Contribution Plan:**  
Contribution to funds:

(Amount in Rs.)

Particulars	2010-11	2009-10
Employer's Contribution to Provident Fund	13,35,838	13,23,474
Employer's Contribution to ESI Fund	3,93,737	2,05,695
<b>Total</b>	<b>16,29,454</b>	<b>15,29,169</b>

**b) Defined Benefit Plans**

Profit and loss account:

Net Employee benefit expense (Recognised in Employee Cost):

Particulars	For the year ended 31 March, 2011 (Rs.)	For the year ended 31 March, 2010 (Rs.)
Current Service Cost	3,29,578	2,01,203
Interest Cost	32,186	25,362
Expected return on plan assets		Nil
Net actuarial (gain)/loss recognised in the year	9,63,416	(1,28,247)
Net benefit expense	13,25,180	98,318

Balance sheet

Details of Provision for gratuity

Particulars	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
Fair Value of plan assets	Nil	Nil
Defined benefit obligation	(57,693)	(10,616)
Plan assets/( Liabilities)	Nil	Nil

Change in the present value of the defined benefit obligation is as follows:

Particulars	For the year ended 31 March, 2011 (Rs.)	For the year ended 31 March 2010, (Rs.)
Opening Defined benefit obligation	4,31,169	3,43,467
Interest Cost	32,186	25,362
Current Service Cost	3,29,578	2,01,203
Benefits paid	(57,693)	(10,616)
Actuarial gains/(losses) on obligation	9,63,416	(1,28,247)
Closing Defined benefit obligation	16,98,656	4,31,169

Changes in the fair value of plan assets are as follows:

Particulars	For the year ended 31 March, 2011(Rs.)	For the year ended 31 March, 2010 (Rs.)
Opening fair value of the plan asset	Nil	Nil
Expected return	Nil	Nil
Contribution by employer	57,693	10,616
Benefits paid	(57,693)	(10,616)
Actuarial gains/(losses) on obligation	Nil	Nil
Closing fair value of the plan asset	Nil	Nil



The principle assumptions used in determining gratuity obligation for the company's plan are shown below:

Particulars	For the year ended 31 March, 2011 (Rs.)	For the year ended 31 March, 2010 (Rs.)
Discount rate	8.30%	8.00%
Expected rate of salary increase	4.00%	4.00%

16. The Company is engaged in CCTV Sales and related service activities, which in the context of Accounting standard 17- Segment reporting, notified under Section 211 (3C) of the Companies Act, 1956 is considered as single business segment. Hence, reporting under the requirements of the said standard does not arise.
17. Figures for the previous year have been re-grouped wherever necessary for comparison purposes.

As Per our Report even dated  
**For Brahmaya & Co.,**  
 Firm registration number: 0005155  
 Chartered Accountants

**For and on behalf of the Board of Directors of  
 Thakral Services India Limited**

**(G.Srinivas)**  
 Partner  
 Membership No.: 086761

**(R.C.Bhavuk)**  
 Managing Director

**(K.S.Bawa)**  
 Director

**(Vasu Srinivasan)**  
 Company Secretary

Place: Bangalore  
 Date: 26<sup>th</sup> August, 2011

**Balance Sheet abstract & company's general Business profile**

<b>1 Registration Details</b>	
Registration No	5140
State Code	08
Balance sheet Date	31.03.2011
<b>2 Capital raised during the year</b>	
Public issue (issue through prospectus)	NIL
Right issue	NIL
Bonus issue	NIL
Private Placement	NIL
<b>3 Position of mobilisation &amp; Deployment of Funds (Amount in Rs.Thousands)</b>	
Total Liabilities	173,838
Total Assets	173,838
<b>Sources of Funds</b>	
Paid up capital	117,351
Reserves & Surplus	NIL
Secured Loans	17,881
Unsecured Loans	38,607
<b>Application of Funds</b>	
Net Fixed assets	5,679
Investments	156
Net Current Assets	96,229
Accumulated Losses	70,913
<b>4 Performance of the Company</b>	
Turnover (Including Miscellaneous Income)	249,717
Total Expenditure	238,945
Profit/(Loss) before Tax	10,772
Profit/(Loss) after Tax & Provision	10,232
Earning per share	0.87
Dividend Rate	NIL
<b>5 Generic Name of the Principal Products &amp; Services of the Company (as per monetary terms)</b>	
Item Code(ITC Code)	NIL

For Brahmayya & Co.,  
Chartered Accountants

**(G.Srinivas)**  
Partner

**(K S Bawa)**  
Director

**(R C Bhavuk)**  
Managing Director

## Thakral Services (India) Limited

## Cash Flow Statement for the Year Ended 31st March, 2011

(Amount in  
Rs.)

Particulars	Details	Current Year	Details	Previous Year
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u></b>				
<b>Net Profit before Tax and Extra-Ordinary Items</b>		<b>10,772,410</b>		<b>5,999,479</b>
<b>Adjustments for :</b>				
Depreciation	1,182,497		580,024	
Assets written off	15,761			
Excess Provision written back	(1,195,793)		(202,400)	
Sundry Credit balances Written back	(81,402)		(22,634)	
Interest received	(118,085)		(29,975)	
Dividend Received	(39,165)			
Sundry Debit Balances Written off	1,633,804		830,490	
Interest paid	2,370,830	3,768,447	1,085,662	2,654,042
<b>Operating Profit before working capital changes</b>		<b>14,540,857</b>		<b>8,240,645</b>
<b>Adjustments for :</b>				
Increase/(Decrease) in Inventories	14,758,685		(11,001,614)	
Increase/(Decrease) in Trade and Other Receivables	(37,119,830)		(20,914,765)	
Increase/(Decrease) in Trade and Other Payables	21,966,521	(394,624)	17,989,726	(13,926,652)
Less: Taxes Paid		14,146,233		(5,686,007)
		(1,165,989)		
Cash generated from Operations		12,980,245		(6,098,883)
<b>Net Cash flow from Operating activities</b>		<b>12,980,245</b>		<b>(6,098,883)</b>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES :</u></b>				
Purchase of fixed assets		(1,510,803)		(1,096,421)
Dividend received		39,165		-
Interest received		118,085		29,975
<b>Net Cash flow from Investing activities</b>		<b>(1,353,553)</b>		<b>(1,066,446)</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>	-	-	-
Net Increase/ ( Decrease) in Secured Loan	(1,948,677)		19,829,452
Net Increase/ (Decrease) in Unsecured Loan	3,448,587		(12,603,954)
Refund of Share Application	(11,225,660)		-
Interest paid	(2,370,830)		(1,085,662)
<b>Net Cash flow from Financing activities</b>	<b>(12,096,580)</b>		<b>6,139,836</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(469,888)</b>		<b>(1,025,493)</b>
Cash and Cash Equivalents as at 1.4.2010 (Opening Balance)	3,581,773		4,607,265
Cash and Cash Equivalents as at 31.3.2011 (Closing Balance)	3,111,885		3,581,773

For and on behalf of the Board of Directors of  
THAKRAL SERVICES (INDIA) LIMITED

(R.C.Bhavuk)

Managing Director

(K.S.Bawa)

Director

(Vasu  
Srinivasan)

Company  
Secretary

#### AUDITORS' CERTIFICATE

The above Cash Flow Statement has been compiled from and is based on the audited accounts of Thakral Services (India) Limited for the year ended 31st March, 2011. According to the information and explanations given, the aforesaid cash flow statement has been prepared pursuant to clause 32 of the listing agreement and reallocation required for the purpose are as made by the company.

For **Brahmayya & Co.,**

Firm registration number: 0005155

**Chartered Accountants**

(G. Srinivas)

Partner

Membership No.: 086761

Place : Bangalore

Date: 26th August, 2011

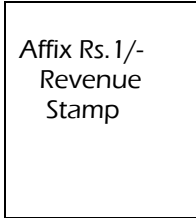
FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of **Thakral Services (India) Limited** hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held on 30<sup>th</sup> September '2011 and at any adjournment thereof. Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature (across the stamp)

Name \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_



NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. The Incumbent appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of the Power of Attorney or authority shall be deposited at the Registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting.

-----  
**THIS ATTENDANCE SLIP DULY FILLED IN AND TO BE HANDED OVER**  
AT THE ENTRANCE OF THE MEETING HALL

**THAKRAL SERVICES (INDIA) LIMITED**

Name of the attending Member  
(In Block Letters) \_\_\_\_\_

Member's Folio Number \_\_\_\_\_

Name of the Proxy (in Block letters)  
if the proxy attends instead of the Member \_\_\_\_\_

Number of Shares held \_\_\_\_\_ Equity shares.

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company held at Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001 (Opposite to HSBC Bank Near ING Vysya Bank-corporate office at 10.00 a.m. on 30<sup>th</sup> September 2011.

(Proxy's Signature)  
In case of proxy attends meeting

(Member's Signature)  
In case member attends meeting

*(To be signed at the time of handing over this slip at the meeting)*