



THAKRAL SERVICES (INDIA) LIMITED

THIRTIETH ANNUAL REPORT

2012 - 2013

**8TH FLOOR, 'THE ESTATE', 121, DICKENSON ROAD,
BENGALURU - 560 042**

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THAKRAL SERVICES (INDIA) LIMITED

Board of Directors

Sri. BIKRAMJIT SINGH THAKRAL
Sri. C D PRAJENDRAN
Sri. JOSEPH SEQUEIRA
Sri. KANWALJEET SINGH BAWA
Sri. R.C.BHAVUK- Managing Director
Sri. K R VIJAYENDRA

Bankers

YES BANK LTD

Auditors

M/s. BRAHMAYYA & CO.
Chartered Accountants,
Bengaluru

Registered Office

8TH FLOOR, 'THE ESTATE',
121, DICKENSON ROAD,
BENGALURU - 560 042

NOTICE

NOTICE is hereby given that the **Thirtieth** Annual General Meeting of the Members of **THAKRAL SERVICES (INDIA) LIMITED** will be held on Monday, the 30th September, 2013 at 10.00 a.m. at Rohini Hall, Hotel Ajantha, 22-A, M. G. Road, Bengaluru – 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 31.03.2013 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 Prabhu Rajendran who retires by rotation and being eligible offers himself for reappointment.
4. 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.

Regd. Office

8th Floor, 'The Estate',
121, Dickenson Road,
Bengaluru-560042

BY ORDER OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR

Place: Bengaluru

Date : 14.08.2013

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, 4th Cross, Sampige Road, Malleshwaram, Bengaluru – 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 Monday, the 23rd September, 2013 to Monday, the 30th September, 2013(both days inclusive)

BY ORDER OF THE BOARD OF DIRECTORS

Regd. Office

8th Floor, 'The Estate', 121,
Dickenson Road,
Bengaluru-560 042

MANAGING DIRECTOR

Place: BENGALURU

Date:14.08.2013

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

Item No.2:

- | | |
|--|--|
| 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 14.08.2013 | 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.
M/s. Future World Retail Pvt. Ltd. |

- 5) Chairman (c) / Member (M) of the : Audit committee
 Committee of the Board of the 1) Thakral Services (India) Ltd - M
 Companies on which he is a Remuneration Committee
 Director as on 14.08.2013 1) Thakral Services (India) Ltd - M
 Share Transfer Committee
 1) Thakral Services (India) Ltd - M
 Share Holders' Grievance Committee
 1) Thakral Services (India) Ltd - M

Item No.3

- 1) Name: Mr. Chennoth Divakara 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 14.08.2013 M/s. Thakral One Solutions Pvt. Ltd.,
M/s. Asiatic Steel Industries Ltd.,
M/s. Netizen Properties Pvt. Ltd.
- 5) Chairman / Member of the : NIL
 Committee of the Board of the
 Companies on which he is a
 Director as on 14.08.2013
-

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Thirtieth Annual Report** along with the Audited Accounts for the year ended 31.03.2013.

FINANCIAL RESULTS:
(Rs. in lakhs)

	31.03.2013	31.03.2012
Income from Business	4102.64	3922.41
Gross Income	4102.64	3922.41
Less: Operational Expenses	3818.01	3681.18
Profit/(Loss) Before Depreciation and Tax	284.63	241.23
Depreciation	35.11	17.37
Profit/(Loss) Before Exceptional Items	249.52	223.86
Exceptional Items	0.00	0.00
Profit/(Loss) after Exceptional Items	249.52	223.86
Less :Income Tax/Fringe Benefit Tax/MAT	90.86	71.52
Add: Deferred Tax- Asset	7.58	2.94
Profit/(Loss) for the Year	166.24	155.28

OPERATIONS:

The Company is mainly engaged in the business of Electronic Security which comprises of CCTV, Access control, Fire Detection, Alarms, Intrusion Alarms and Solar Power Solutions.

The Company carries the vision of becoming one of the leading Electronic security players in India by the end of the Financial Year 2014.

DIVIDENDS:

Since the Company need the funds for future expansion of business therefore it is not in a position to declare dividends.

CAPITAL:

The present paid-up capital of the Company is Rs.3,52,05,240/- of face value of Rs.3/- each which is listed with BSE Ltd (Bombay Stock Exchange) and Bangalore Stock Exchange. The shares of the Company have been admitted for De-materialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) of the equity share of the Company is INE190F01028.

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 Bawaand Mr.Chennoth Divakara Prabhu Rajendran are due to retire by rotation and are eligible for re appointment in the coming Annual General Meeting.

AUDITORS :

M/s. Brahmayya & Co., Chartered Accountants, Bengaluru, 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:

	2012-13	2011-12
	(Rs. Lacs)	(Rs. Lacs)
I. Foreign exchange earned	35.79	65.80
ii. Foreign exchange used	4.38	5.18
iii. Foreign exchange used for import of Capital Goods, Raw Materials etc.	433.98	356.19
iv. Foreign exchange for export of goods	140.02	113.78

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 BSE Ltd. (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 : BENGALURU
Date : 14.08.2013

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 to achieve corporate goals and to 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
Mr. K R Vijayendra	Independent Director
Mr. R.C. Bhavuk	Managing Director, Executive
Mr. K.S. Bawa	Non-Executive, Director
Mr. Bikramjit SinghThakral	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 31st March, 2013 are as under :

Name of Director	Directorship in other Companies	Details of Committee	
		Member	Chairman
Mr. R.C. Bhavuk	17	1	Nil
Mr. K. S. Bawa	18	4	Nil
Mr. C D P Rajendran	3	Nil	Nil
Mr. K R Vijayendra	1	1	2
Mr. Joseph Sequeira	Nil	1	1
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 2012-2013, a total of 4 Board meetings were held on the following dates viz. 29.05.2012, 13.08.2012, 14.11.2012 and 09.02.2013. 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 th September, 2012
	Held	Attended	
Mr. R.C. Bhavuk	4	4	Yes
Mr. K. S. Bawa	4	4	Yes
Mr. C D P Rajendran	4	Nil	No
Mr. K R Vijayendra	4	4	No
Mr. Joseph Sequeira	4	4	Yes
Mr. Bikramjit Singh Thakral	4	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 and Mr.C D P 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) | Mr. K.S. Bawa | (Non- Executive Director) | – Member |
| 2) | Mr. Joseph Sequeira | (Independent Director) | – Member |
| 3) | Mr. K R Vijayendra | (Independent Director) | –Chairman |

ii) Audit Committee meeting and Directors Attended.

The Committee met four times during the year 2012-13 i.e on 28.05.2012, 11.08.2012, 10.11.2012 and 08.02.2013. Mr.K S Bawa and Mr.Joseph Sequeira attended all the meetings.

iii) Terms of Reference

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

- 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.
- 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 Director(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.

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

- 1) Mr. Joseph Sequeira – Member
- 2) Mr. K.S. Bawa – Member
- 3) Mr. K.R. Vijayendra – Chairman

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 three Directors as under:

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

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
2011-12	28.09.2012	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001	No
2010-11	30.09.2011	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001	YES
2009-10	30.09.2010	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001	YES

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/-.
- 3) Special resolution was passed at AGM held on 30.09.2011 for appointment of Managing Director.

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).

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

Date : 30.09.2013
Day : Monday
Time : 10 AM
Venue : Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bengaluru – 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 2013 to 31st March 2014.

First Quarter results	:	by end of July'2013
Second Quarter results	:	by end of October'2013
Third Quarter results	:	by end of January'2014
Fourth Quarter results	:	by end of April'2014

iii. Book Closure

1. Date of Book Closure : 23-09-2013 to 30-09-2013 (both days inclusive)

iv. Listing on Stock Exchanges

- a. Stock Exchange Listing:
01. BSE Ltd., (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, Bengaluru - 560 027.
- It is further submitted for information of shareholders that the Annual listing fees of 2013-2014 has been paid.
- b. Stock Exchange Security Scrip Code: BSE -509015 (Scrip ID: THAKRAL)

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	(2012-2013 BSE)	
	High Price	Low Price
Jan-13	10.00	10.00
Feb-13	28.24	10.50
Mar-13	41.50	25.00

(Data Source : www.bseindia.com)

vi. Registrar and Transfer Agents

M/s. Intergrated Enterprises (India) Ltd
(Formerly Alpha Systems Pvt. Ltd)
30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bengaluru –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 31st March'2013

Sl.No	Category	No. of Shares Held	% of Shareholding
	Holding of Promoter Group		
1	Promoter Group	8684200	74.00
	Public Share Holding		
2	Bodies Corporate	1476039	12.58
3	Individuals upto one Lakh	461841	3.93
4	Individuals above one Lakh and NRI	1113000	9.49
5	Mutual Funds and UTI	0	0
6	Banks, Financial Institutions, Insurance Corporation	0	0
	Total Public Shareholding	3050880	26.00
	GRAND TOTAL	11735080	100.00

ix. Distribution of shareholding as on 31st March'2013

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF			SHARE / DEBENTURE HOLDERS		SHARE/DEBENTURE	
Rs.	P.		Number	% to Total	in Rs.	% to Total
(1)			(2)	(3)	(4)	(5)
Upto	-	5,000	3561	96.66	3503330	2.99
5,001	-	10,000	78	2.12	566470	0.48
10,001	-	20,000	20	0.54	303500	0.26
20,001	-	30,000	9	0.24	224500	0.19
30,001	-	40,000	3	0.08	102500	0.09
40,001	-	50,000	5	0.14	236500	0.20
50,001	-	1,00,000	1	0.03	80000	0.07
1,00,001	and	above	7	0.19	112334000	95.72
TOTAL			3684	100.00	117350800	100.00

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) and Central Depository Services (India) Limited (CDSL) 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, 56.41% (66,19,805 equity shares) are held in dematerialized form with NSDL and 39.76% (46,66,023 equity shares) are held in dematerialized form with CDSL.

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:**

**8th Floor “THE ESTATE”
No.121, Dickenson Road,
Bengaluru - 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, 4th Cross,
Sampige Road, Malleswaram, Bengaluru- 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 31st March' 2013.

For and on Behalf of the Board

MANAGING DIRECTOR

Place : Bengaluru
Date :14.08.2013

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

We have reviewed the financial statements, read with the cash flow statement of M/s. Thakral Services (India) Limited for the year ended 31st March'2013, and that to the best of our knowledge and belief, we state that:

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. We 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, we 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

S Gopalakrishnan
GM- FINANCE & ACCOUNTS/CFO

Place: Bengaluru
Date : 14.08.2013

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

To,
The Members of Thakral Services (India) Limited

We have examined the compliance of the conditions of Corporate Governance by M/s.Thakral Services (India) Ltd for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

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 Clause 49 of the above mentioned Listing Agreement(s).

We state that in respect of investor grievances received during the year ended 31st March 2013, no investor grievance is pending for a period exceeding one month as per the records maintained by 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 Brahmayya & Co.,
Firm Registration No.:000515S
Chartered Accountants.

Place: Bengaluru
Date : 29.05.2013

(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 our credibility already established in the Banking segment, our business will definitely 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 comprises of two Directors who are 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.3.52Crores. The Company's performance during the last year resulted in a net profit of Rs.166.24 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.

INDEPENDENT AUDITORS'REPORT

To,
THE SHARE HOLDERS OF THAKRAL SERVICES (INDIA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of THAKRAL SERVICES (INDIA) LIMITED ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 in sub-section (3C) of section 211 of the Companies Act, 1956. 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

3. 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 from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's 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 auditor considers 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, in the manners or required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013;
 - b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and

- c) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
8. 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 the books;
 - c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the statement of the Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- and
- e) on the basis of written representations received from the Directors, as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of section clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Bengaluru
Date : 29th May, 2013

G. Srinivas
Partner
Membership No.: 086761

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of our report of even date to the Share holders of M/s.Thakral Services (India) Limited ("the Company") for the year ended 31 March,2013.

- i) (a) As per the information and explanation provided to us the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) During the Year the Company has not disposed off its substantial part of fixed assets.
- ii) (a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its 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 with in the books of accounts.
- iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the order are not applicable to the Company.
- (b) The Company has taken loans, from Companies, Firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and the terms at which the loans were taken are prima facie not prejudicial to the interest of the Company. Further the Company has not defaulted in repayment of loans taken from such parties.

Details of Unsecured Loans taken from Parties Listed in the Register Maintained U/s 301:

Amount in Rs.

Sl.No.	Name of the Party	Loan Accepted during the year	Loan Repaid during the year	Maximum Amount Outstanding during the year (Rs.)	Balance as at 31st March 2013 (Rs.)
1	Westminster Developments Pvt Ltd	—	—	48,13,192	48,13,192
2	Normandy Developments Pvt Ltd	—	—	59,54,749	59,54,749
3	Glade Trading Co. Pvt Ltd	—	—	12,87,818	12,87,818
4	Minnow Trading Co. Pvt Ltd	—	—	5,55,308	5,55,308
5	Thakral One Solutions Private Limited	74,69,654	54,37,158	1,47,90,109	1,01,50,049
6	Inderbethal Singh Thakral	—	—	36,30,000	36,30,000

- iv) In our opinion and according to the information and explanations given to us there is adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regards purchase 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) The Company has an internal audit system. However in our opinion Internal Audit Systems needs to be further strengthened to commensurate with the size and nature of its business.
- viii) To the best of our knowledge and as explained, the central Government has not prescribed the maintenance of Cost Record under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the services rendered by the Company. Accordingly, paragraph 4 (viii) of the Order is not applicable.
- ix) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in payment of statutory dues, though there have been few delays in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, and other statutory dues to the extent applicable to it. There are no arrears of outstanding statutory dues as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (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 except the following:

Nature of the Statue	Nature of the dues	Amount in (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Long Term Capital Loss	1,15,75,506/- *	AY 2009-10	Commissioner of Income Tax – Appeals (III)
Income tax Act, 1961	Warranty Provision, Reimbursement of Expenses etc.,	2,64,528/- *	AY 2009-10	Commissioner of Income Tax – Appeals (III)

* The assessing officer has reduced the loss of respective assessment year from the returned loss of the Company. The amount represents the tax impact of loss reduced by assessing officer.

- x) The Company does not have accumulated losses as at 31st March, 2013, and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- xi) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks. The Company has no dues to the Financial Institution sat the balance sheet date and 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 to the Company.
- xiii) In our opinion, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Accordingly Clause (xiii) of Paragraph 4 of the Order is not applicable to the Company.
- xiv) In our opinion and according to explanations given to us, the Company is not dealer or a trader in Securities. Accordingly Clause (xiv) of the Paragraph 4 of the Order is not applicable to the Company.
- 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 to the Company.
- 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 on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes.
- 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. Accordingly clause (xviii) of the paragraph 4 of the order is not applicable.
- xix) The Company has not issued debentures during the year. Accordingly clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- xx) During the year the Company has not raised any money by Public Issue. Accordingly clause (xx) of the paragraph 4 of the Order is not applicable.
- xxi) Based on 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 explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Bengaluru
Date: 29th May,2013

G.Srinivas
Partner
Membership No. : 086761

Thakral Services (India) Limited**Balance sheet as at March 31, 2013****(Amount in Rs.)**

	PARTICULARS	Note No.	As at March 31, 2013	As at March 31 2012
	I. EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share capital	3	35,205,240	35,205,240
	(b) Reserves and surplus	4	43,384,729	26,760,660
			78,589,969	61,965,900
	(2) Non - current liabilities			
	(a) Long term borrowings	5	26,391,116	24,358,621
	(b) Long term provisions	6	2,707,896	2,478,534
			29,099,012	26,837,155
	(3) Current Liabilities			
	(a) Short term borrowings	7	73,404,459	53,925,903
	(b) Trade payables	8	59,962,418	64,297,878
	(c) Other Current Liabilities	9	26,691,291	30,168,622
	(d) Short term provisions	10	19,934,511	13,284,301
			179,992,679	161,676,704
	TOTAL		287,681,660	250,479,759
	II. ASSETS			
	(1) Non - current assets			
	(a) Fixed Assets - Tangible assets	11	18,673,868	15,529,503
	(b) Non - current investments	12	156,410	656,410
	(c) Deferred tax assets (Net)	13	1,913,132	1,154,734
	(d) Long term loans and advances	14	6,563,198	4,352,774
	(e) Other non current assets	15	1,300,315	1,713,482
			28,606,923	23,406,903
	(2) Current Assets			
	(a) Inventories	16	16,883,734	13,932,051
	(b) Trade receivables	17	171,542,074	150,560,903
	(c) Cash and cash equivalents	18	5,786,144	4,233,629
	(d) Short term loans and advances	19	48,676,275	43,973,172
	(e) Other current assets	20	16,186,510	14,373,101
			259,074,737	227,072,856
	TOTAL		287,681,660	250,479,759
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

Note No. 1 to 38

As per our report of even date**For Brahmaya & Co.,****Firm Registration No. : 000515S****Chartered Accountants****G. Srinivas**

Partner

Membership No: 86761

Place: Bengaluru

Date : 29-5-2013

For and on behalf of the Board of Directors**Thakral Services (India) Limited****R.C.Bhavuk**

(Managing Director)

K.S.Bawa

(Director)

Vasu Srinivasan
(Company Secretary)

Thakral Services (India) Limited
Statement of Profit and Loss for the year ended March 31, 2013

(Amount in Rs.)

	Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
	Income			
a)	Revenue from operations	21	409,189,200	391,533,983
b)	Other income	22	1,075,262	706,580
	Total revenue (a + b)		410,264,462	392,240,563
	Expenses			
a)	Purchase of stock in trade	23	240,733,620	245,560,000
b)	Changes in inventories of stock in trade	24	(2,951,683)	(831,359)
c)	Employee benefits expense	25	61,292,589	50,803,939
d)	Finance costs	26	8,506,711	5,240,810
e)	Depreciation and amortization expense	27	3,510,813	1,737,413
f)	Other expenses	28	74,220,001	67,344,405
	Total Expenses		385,312,051	369,855,209
	Profit before tax		24,952,411	22,385,354
	Exceptional Items		-	-
	Profit/(Loss) before extraordinary items and tax expense		24,952,411	22,385,354
	Extraordinary Items		-	-
	Profit before tax		24,952,411	22,385,354
	Tax expense			
	a) Current tax		(9,086,740)	(7,794,191)
	b) Provision for FBT earlier Years		-	(449,651)
	c) Deferred tax Assets /(Liability)		758,398	294,868
	d) Mat Credit		-	1,092,084
			(8,328,342)	(6,856,890)
	Profit/(Loss) for the period		16,624,069	15,528,464
	Earning per equity share:			
	a) Basic		1.42	1.32
	b) Diluted		1.42	1.32
	Summary of significant accounting policies	2		

The notes attached form an integral part of the statement of Profit & Loss.

Note No. 1 to 38

As per our report of even date
For Brahmayya & Co.,
Firm Registration No. : 000515S
Chartered Accountants

G. Srinivas
Partner
Membership No: 86761

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

R.C.Bhavuk
(Managing Director)

K.S.Bawa
(Director)

Place: Bengaluru
Date : 29-5-2013

Vasu Srinivasan
(Company Secretary)

Thakral Services (India) Limited
Cash flow statement for the year ended 31 March 2013

(Amount in Rs.)

	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
I.	Cash flow from operating activities		
	Profit before tax	24,952,411	22,385,354
	Depreciation	3,510,813	1,737,413
	Bad debts	132,031	959,525
	Interest income	(77,944)	(32,828)
	Income from investments	(7,875)	(6,300)
	Loss on sale of fixed assets	-	391,236
	Sundry credit balance and provision written back	(722,780)	(229,959)
	Interest expenses	8,506,711	5,240,810
	Operating profit before working capital changes	36,293,367	30,445,251
	Movements in working capital :		
	Increase/ (Decrease) in trade payables	(3,612,680)	23,277,699
	Increase/ (decrease) in other current liabilities	(3,477,332)	10,068,488
	Decrease / (increase) in trade receivables	(21,113,202)	(59,802,548)
	Decrease / (increase) in inventories	(2,951,683)	(831,358)
	Decrease / (increase) in other current assets	(1,683,409)	(6,009,886)
	Decrease / (increase) in other Non current assets	413,167	(464,902)
	Decrease / (Increase) long term loans and advances	(2,210,424)	(610,240)
	Decrease / (increase) short term loans and advances	(3,088,395)	1,807,720
	Increase / (Decrease) in long term provisions	229,362	639,243
	Increase / (decrease) in short-term provisions	(2,436,527)	1,991,769
	Cash generated from / (used in) operations	(3,637,756)	511,235
	Direct taxes paid (net of refunds)	(1,614,709)	(2,062,290)
	Net cash flow from/ (used in) operating activities (I)	(5,252,465)	(1,551,055)
II.	Cash flows from financing activities		
	Cash flows from investing activities		
	Purchase of fixed assets	(6,836,793)	(12,105,592)
	Proceeds from sale of fixed assets	181,614	126,607
	Redemption of Non-current investments	500,000	(500,000)
	Interest received	77,944	32,828
	Income from investment	7,875	6,300
	Net cash flow from/ (used in) investing activities (II)	(6,069,360)	(12,439,858)
III.	Cash flows from financing activities		
	Proceeds from long-term borrowings	7,469,654	-
	Repayment of long-term borrowings	(5,437,159)	(14,247,884)
	Proceeds from short-term borrowings	19,478,556	36,045,128
	Repayment of short-term borrowings	-	-
	Interest paid	(8,506,711)	(5,240,810)
	Refund of Share Application money	-	-
	Net cash flow from/ (used in) in financing activities (III)	13,004,340	16,556,434

Thakral Services (India) Limited
Cash flow statement for the year ended 31 March 2013 (Amount in Rs.)

	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
	Net increase/(decrease) in cash and cash equivalents (I+II+III)	1,682,514	2,565,521
	Cash and cash equivalents at the beginning of the year	4,103,629	1,538,108
	Cash and cash equivalents at the end of the year	5,786,144	4,103,629
	Components of cash and cash equivalents		
	Cash on hand	88,360	128,667
	Cheques on hand	3,821,054	
	With banks		
	- on current account	1,876,730	3,974,962
	- on deposit account		
	Total cash and cash equivalents	5,786,144	4,103,629

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

(RC Bhavuk)
 Managing Director

(KS Bawa)
 Director

(Vasu Srinivasan)
 Company Secretary

AUDITORS' CERTIFICATE

The above Cash Flow statement has been compiled from based on the audited accounts of Thakral Services (India) Limited for the year ended 31st March 2013. 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 purpose are as made by the Company.

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

(G. Sinivas)
 Partner
 Membership No. 086761

Place : Bengaluru
 Date : 29th May 2013

Thakral Services (India) Limited

Notes forming part of the Financial Statements

I. Company Overview:

Thakral Services (India) Limited ('the Company') was incorporated on 25th January, 1983 as private limited company with its registered office at Bangalore, originally with the name Parvidhgaar Leasing Pvt. Ltd. On 18th November, 1985, it was converted in to a Limited Company and was renamed as Parvidhgaar Leasing & Finance Limited. To broaden the business activities, its name was further changed to Primeast Investments Limited on 16th November, 1994. Presently the Company is engaged in the business of CCTV Sales and related service activities and during the year 2011-12 the company has commenced its business in the field of Photo Voltaic Modules.

II. Statement of Significant Accounting Policies:

a. Conventions

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the 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 provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Tangible Assets

Tangible Assets in the Gross Block are stated at original cost. Additions to Tangible Assets are stated at cost of acquisition and all costs directly attributable to the acquisition and installation up to the date the asset is ready for its intended use are capitalised.

c. Intangible Assets

Intangible Assets are stated at original cost. Additions to Intangible Assets are recognized in accordance with the recognition and measurement criteria as provided in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

d. Depreciation on Tangible Assets

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.

Particulars	Rates (SLM)	Schedule XIV Rates (SLM)
Office Equipments	4.75%	4.75%
Furniture & Fixtures	6.33%	6.33%
Rental Stock	20.00%	Not Prescribed

e. Amortization of Intangible Assets

Amortization is provided on straight line method based on the best estimates of useful lives of the assets in accordance with Accounting Standard 26 issued by Institute of Chartered Accountants of India

f. 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.

g. 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.

h. Investments

Investments that are readily realizable 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.

i. Inventories

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

j. Foreign exchange transaction

Foreign currency transactions are recorded in the reporting currency, at the exchange rates prevailing on the date of the transaction.

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.

k. 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.

i. 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 Statement of profit and loss account on accrual basis.

ii. Defined Benefit Plan

Gratuity for employees is 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 Statement of 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.

m. 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 asset is 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.

n. 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.

o. 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 Statement of Profit and Loss Account on accrual basis as per terms of the lease.

p. 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.

q. 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.

r. Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measure reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

s. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at Bank and in hand and short term investment with an original maturity of three months or less.

Thakral Services (India) Limited
Notes forming part of the Financial Statements

3.Share Capital**(Amount in Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised Share Capital		
4,33,40,000 equity shares of Rs. 3/- each	130,020,000	130,020,000
Issued, Subscribed and Fully paid-up shares 1,17,35,080 equity shares of Rs.3/- each fully paid up	35,205,240	35,205,240
Total issued, Subscribed and Fully paid-up share capital	35,205,240	35,205,240

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**Equity Shares**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
At the beginning of the period	11,735,080	117,350,800	11,735,080	117,350,800
Allotted during the period out of share application money	-	-	-	-
Capital Reduction(Refer Note No.30)	-	82,145,560	-	82,145,560
Outstanding at the end of the period	11,735,080	35,205,240	11,735,080	35,205,240

(b) Terms/ rights attached to equity shares

The Company has issued the Equity shares of par value of Rs.3/-. Every equity share holder shall have voting rights in proportion of his share of the paid up equity capital of the Company. In the event of liquidation of the Company, the assets of the Company will be first distributed to preferential amounts and balance so left will be distributed to equity shareholders in proportion to holding of their equity shares.

(c) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	% holding	Number	% holding
Equity shares of Rs. 3/- (As on 31st March 2011 Rs.10/-) each fully paid				
Thakral Investments India Ltd	4,029,200	34.33%	4,029,200	34.33%
Paramount Park Ltd	2,455,000	20.92%	2,455,000	20.92%
Thakral Investments Holdings (Mauritius) Ltd	2,200,000	18.75%	2,200,000	18.75%
Trust Leasing and Finance Ltd	1,464,200	12.48%	1,464,200	12.48%
Kanwaljeet Singh Dhillon	1,025,000	8.73%	1,025,000	8.73%
Total	11,173,400	95.21%	11,173,400	95.21%

As per records of the Company, including its register of shareholders/ members, the above shareholding represent legal ownership of shares as at balance sheet date.

Notes forming part of the Financial Statements (Amount in Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
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4. Reserves and Surplus

a) Capital Reserves		
Opening Balance	999,918	-
(+) Current Year Transfer(As result of The Capital Reduction Refer Note No.30)	-	999,918
(-) Written Back in Current Year	-	-
Closing Balance	999,918	999,918
b) Surplus/ (deficit) in the statement of profit and loss		
Opening balance	25,760,742	(70,913,365)
Net Profit/(Net Loss) For the current year	16,624,069	15,528,464
Current Year Transfer	-	81,145,642
Closing Balance	42,384,811	25,760,742
Total reserves and surplus	43,384,729	26,760,660

5. Long-term borrowings

Unsecured Loans and advances from related parties	26,391,116	24,358,621
Total Unsecured Loans	26,391,116	24,358,621

As per the terms and conditions of agreements entered between the Company and its associates , Interest free unsecured loan availed from associates are repayable after 30th June 2014.

6. Long Term Provisions

Provision for Employee Benefits		
Provision for Gratuity	1,927,985	1,605,417
Provision for Leave benefits	494,311	587,517
Provision for Superannuation	285,600	285,600
Total	2,707,896	2,478,534

7. Short-term borrowings

Short Term Loans		
from Banks		
i) Working capital demand loan	55,000,000	40,000,000
ii) Cash credit	18,404,459	13,925,903
	73,404,459	53,925,903
The above amount includes		
Secured borrowings	73,404,459	53,925,903
Total	73,404,459	53,925,903

Working capital Demand Loan and Cash Credit availed from Yes Bank ,Bangalore Secured by way of hypothecation of the stocks and books debts ,Equitable Mortgage of Commercial property bearing 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 ,Bangalore 560042,standing in the name of Thakral Computers Private Limited.

Notes forming part of the Financial Statements (Amount in Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
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8. Trade payable

Trade payable	59,962,418	64,297,878
Total	59,962,418	64,297,878

9. Other Current Liabilities

i) Income received in advance	1,182,508	1,753,501
ii) Advance received from Customers	5,939,883	5,825,105
iii) TDS Payable	581,754	1,388,777
iv) CST Payable	1,108,624	2,931,144
v) Other Statutory Liability	670,862	723,260
vi) Service Tax Payable	774,016	557,772
vii) VAT Payable	4,013,851	3,737,750
ix) Salary payable	8,999,998	9,166,076
xii) Audit Fees Payable	333,653	292,500
xiii) Others	3,086,142	3,792,737
Total	26,691,291	30,168,622

10. Short term Provisions

Provision for Employee benefits		
Provision for gratuity	380,405	216,593
Provision for leave benefits	330,730	53,153
	711,135	269,746
Other provision		
Provision for FBT	64,336	-
Provision for Income Tax	14,193,807	9,607,067
Provision for Warranty	3,264,843	1,933,422
Provision pending installation	1,700,390	1,474,066
	19,223,376	13,014,555
Total	19,934,511	13,284,301

Thakral Services (India) Limited
Notes forming part of the Financial Statements

Note No. 11 **FIXED ASSETS - Tangible Assets** (Amount in Rupees)

Description of Assets	Gross Block			Depreciation				Net block Value as at			
	As at 1.4.2012	Additions	Deductions	As at 31.3.2013	Up to 1.4.2012	For the Period	Adjustments	Delitions	As at 31.3.2013	31.3.2012	
	Office Equipment	4,904,687	780,440	16,135	5,668,992	1,595,594	621,331	--	11,330	2,205,595	3,463,397
Furniture & Fixtures	4,578,540	33,400	--	4,611,940	909,941	286,411	--	(2,506)	1,198,858	3,413,082	3,668,599
Rental Stock	9,569,633	6,022,953	174,303	15,418,283	1,017,823	2,688,043	84,972	0	3,620,894	11,797,389	8,551,810
TOTAL	19,052,860	6,836,793	190,438	25,699,215	3,523,358	3,595,785	84,972	8,824	7,025,347	18,673,868	15,529,503
Previous Year	7,532,318	12,105,592	585,050	19,052,861	1,853,152	1,737,413	--	67,207	3,523,358	15,529,503	5,679,166

Notes forming part of the Financial Statements

(Amount in Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
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12. Non-current investments

Non Trade -Quoted		
Investment in Equity Instruments		
a) Share in M/s Jaiprakash Associates Ltd (15,750 Equity share of 2/- each) Market Value Rs.10,09,890- As on 31st March 2013	156,410	156,410
Investment in Debentures		
a) Investment in Debentures of Muthoot Finance Ltd	--	500,000
Total	156,410	656,410

13. Deferred tax Assets (net)

Deferred tax liabilities		
Difference in depreciation as per tax books and financial books	(212,375)	(275,500)
(A)	(212,375)	(275,500)
Deferred tax assets		
Provision for Gratuity/Leave Encashment/Warranty Etc...	2,125,507	1,430,234
(B)	2,125,507	1,430,234
Net deferred tax Assets	1,913,132	1,154,734

14. Long Term Loans and advances

Security deposit		
Unsecured, considered good	6,563,198	4,352,774
Total	6,563,198	4,352,774

15. Other non current assets

Others		
Deposits with original maturity for more than 12 months	1,300,315	1,076,801
Retention Money given to Customers	-	636,681
Total	1,300,315	1,713,482

16. Inventories (valued at lower of cost and net realizable value)

Traded Goods	16,883,734	13,932,051
Total	16,883,734	13,932,051

Notes forming part of the Financial Statements

(Amount in Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
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17. Trade receivable

Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	17,436,162	11,442,129
Unsecured, considered, doubtful	-	12,078
	17,436,162	11,454,207
Provision for doubtful trade receivables	-	(12,078)
(A)	17,436,162	11,442,129
Outstanding for a period Less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	154,105,912	139,118,774
	154,105,912	139,118,774
Provision for doubtful trade receivables	-	-
(B)	154,105,912	139,118,774
Total (A+B)	171,542,074	150,560,903

18. Cash and Cash equivalents

Balances with banks:		
– On current accounts	1,876,730	3,974,962
– Deposits with original maturity of less than three months		
Cheques/ drafts on hand	3,821,054	-
Cash on hand	88,360	128,667
	5,786,144	4,103,629
– Deposits with original maturity Less than 12 months	-	130,000
	-	130,000
Total	5,786,144	4,233,629

19. Short term loans and advances

a)Loans and advances to related parties		
Unsecured, considered good	21,227,994	21,207,994
(A)	21,227,994	21,207,994
Other loans and advances		
Service Tax Receivable	0	1,104,268
Input VAT Receivable	20,425	103,549
CST Receivable	-	2,274
Works contract tax receivable	125,982	35,785
Advance income-tax	7,132,466	5,517,757
Advance FBT	-	36,610
Advances to employee for salary and expenses	2,522,877	1,767,546
Advances against purchases	4,264,107	3,997,603
Prepaid expenses	70,192	741,481
Earnest money deposits with Customers	8,656,371	5,018,290
Other loans and advances	4,655,862	4,440,015
(B)	27,448,282	22,765,178
Total (A+B)	48,676,275	43,973,172

Notes forming part of the Financial Statements

(Amount in Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
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20. Other current assets

Interest accrued but not received	9,915	19,654
Retention money given to Customers	16,176,595	14,353,447
Total	16,186,510	14,373,101

21. Revenue from operations

Sale of Goods		
Domestic sales	357,870,750	349,371,756
Export sales	14,001,834	11,378,004
Sale of services		
Service and Installation charges received	26,202,209	22,578,645
Rental Receipt and AMC Income	7,535,288	2,163,351
Other operating income		
Income from arrangement of training	3,579,119	6,042,227
Total	409,189,200	391,533,983

22. Other income

Commission from marketing services	-	-
Exchange Fluctuation Gain (Net)	-	214,908
Dividend Income from non trade quoted investment	7,875	6,300
Interest income	77,944	32,828
Excess provisions for earlier year written back	487,608	1,715
Sundry Credit Balances written back	235,172	228,245
Miscellaneous income	266,663	222,584
Total	1,075,262	706,580

Notes forming part of the Financial Statements

(Amount in Rupees)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
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23. Purchases of stock in trade

Stand alone DVR	55,737,657	68,473,200
Cameras		
Dome Cameras	28,754,442	29,904,463
C Mount Cameras	2,769,359	4,994,109
Cameras-Others	15,654,826	27,695,669
DVR Card	39,548	348,574
Lens	553,921	781,291
Cameras and Accessories	3,227,310	4,414,050
Cable Accessories	56,249,003	65,796,334
Other Parts	77,747,554	43,152,310
Total	240,733,620	245,560,000

24. (Increase)/ decrease in inventories

Inventories at the end of the year	16,883,734	13,932,051
Inventories at the beginning of the year	13,932,051	13,100,692
(Increase)/ decrease in inventories	(2,951,683)	(831,359)

25. Employee benefit expense

Salaries, wages and bonus	55,226,233	45,932,905
Contribution to provident Fund	3,419,567	2,546,851
Gratuity expenses	508,592	123,354
Staff welfare expenses	2,138,197	2,200,829
Total	61,292,589	50,803,939

26. Finance costs

Interest	8,506,711	5,240,810
Total	8,506,711	5,240,810

27. Depreciation and amortization expense

Depreciation of tangible assets	3,510,813	1,737,413
Total	3,510,813	1,737,413

Notes forming part of the Financial Statements

(Amount in Rupees)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
28. Other expenses		
Cabling and Installation charges	21,308,057	21,100,057
Carriage and Freight Inward	2,818,628	1,294,037
Commission and Brokerage	-	70,146
Training and Seminar Expenses	3,200,000	5,395,237
AMC Expenses	364,946	480,000
Octroi Charges Paid	359,140	472,534
Packing Material	133,717	33,288
Repairing Charges	76,690	60,125
Toolkit Expenses	26,324	1,463
Insurance	314,611	431,125
Rental Expenses	10,498,603	6,230,114
Rates and Taxes	307,234	49,591
Printing and Stationery	1,014,955	1,089,401
Software Expenses	595,604	1,417,209
Communication Expenses	3,769,082	3,731,028
Electricity Charges	1,263,443	784,768
Repairs and Maintenance		
For Building	106,544	165,510
For Vehicles	24,172	70,872
For Others	455,580	272,799
Travelling and Conveyance	12,252,020	8,587,628
Legal and Consultancy	2,116,596	2,920,462
Security Service Charges	369,057	143,800
Bank Charges	302,178	1,784,959
Bad Debts Written Off	132,031	959,525
Carriage and Freight Outward	6,008,433	4,836,198
Sales Promotion Expenses	3,042,035	1,764,448
Listing fee	207,900	82,725
Books and Periodicals	6,657	4,190
AGM Expenses	71,638	62,253
Directors Sitting Fees	36,000	20,000
Miscellaneous expenses	2,046,937	2,107,146
Payment to Auditors		
For Audit	325,000	325,000
For Expenses	36,878	64,031
Loss on sale of asset	-	391,236
Donation	530,400	141,500
Exchange Fluctuation loss	98,912	-
	74,220,001	67,344,405

Notes forming part of the Financial Statements for the year ended March 31, 2013

29. Earning per share (EPS)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Total operations for the year		
Net (loss) after Tax for calculation of Basic EPS and Diluted EPS	16,624,069	15,528,464
Weighted average number of equity shares in calculating basic EPS	11,735,080	11,735,080
Face Value per Share	3	3
Effects of dilution:		
Allotment of share from share application money received	NIL	NIL
Weighted average number of equity shares in calculating diluted EPS	11,735,080	11,735,080
	1.42	1.32

30. 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 in this regard has been given in the books of accounts for the year ended 31st March, 2012.

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

Based on the information available with the company, there are no Micro, Small and Medium enterprises, to which the company owes, which are outstanding for more than 45 days as at 31st March, 2013. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Notes forming part of the Financial Statements for the year ended March 31, 2013

32. Particulars of Stock

i. Purchases

Class of Goods	For the year ending March 31, 2013		For the year ending March 31, 2012	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Standalone DVR	12447	5,57,37,657	6,777	6,84,73,200
<u>Cameras</u>				
a) Dome Cameras	22408	2,87,54,442	19,818	2,99,04,463
b) C-Mount Cameras	1039	27,69,359	2,216	49,94,109
c) Cameras- Others	8845	1,56,54,826	15,402	2,76,95,669
DVR Cards	3	39,548	27	3,48,574
Lens	1057	5,53,921	2,316	7,81,291
Camera Accessories	20216	32,27,310	35,699	44,14,050
Cable Accessories	1308388	5,62,49,003	12,23,929	6,57,96,334
Other Parts	137309	7,77,47,554	86,387	4,31,52,310
Total		24,07,33,620		24,55,60,000

ii. Sales

Class of Goods	For the year ending March 31, 2013		For the year ending March 31, 2012	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Standalone DVR	8800	15,09,63,247	7,005	15,77,90,736
<u>Cameras</u>				
a) Dome Cameras	14672	3,36,33,380	22860	4,90,88,084
b) C-Mount Cameras	1119	29,09,818	3,019	81,62,131
c) Cameras	9425	2,49,85,948	16,811	3,72,01,209
DVR Cards	273	1,03,400	162	21,97,457
Lens	699	5,47,463	3,898	4,15,246
Camera Accessories	16405	43,70,851	28,475	68,10,431
Cable Accessories	1282173	5,89,47,414	12,35,688	5,08,37,002
Other Parts	116787	9,54,11,063	85,388	4,82,47,464
Total		37,18,72,584		36,07,49,760

iii. Closing Stock

Class of Goods	As at March 31, 2013		As at March 31, 2012	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Standalone DVR	5182	28,22,347	1,535	23,43,666
<u>Cameras</u>				
a) Dome Cameras	10249	33,23,439	2,513	24,75,225
b) C-Mount Cameras	225	3,36,901	305	4,81,934
c) Cameras	2430	20,35,585	3,010	23,78,393
DVR Cards	7	1,02,796	277	1,26,847
Lens	580	1,55,556	222	1,15,819
Camera Accessories	14660	6,37,220	10,849	5,47,264
Cable Accessories	69904	28,67,149	43,689	36,91,063
Other Parts	28082	46,02,742	7,560	17,71,839
Total		1,68,83,734		1,39,32,050

Notes forming part of the Financial Statements for the year ended March 31, 2013

33. Related Party Disclosure

a) List of Related Party and Relationship

Related Party	Relationship
A. Enterprises where directors have significant influence: 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. Thakral one 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 2012 to March 31, 2013 Rs.	April 1st 2011 to March 31, 2012 Rs.
1	Remuneration:Key Management Personnel R.C.Bhavuk	14,87,167	14,87,167
2	Thakral Computers Pvt Ltd (Refer Note-1) Purchases Sales Expenses Reimbursed Service Provided	Nil Nil Nil Nil	9,10,409 26,46,045 7,985 Nil
3	Advances Given/(taken) Future World (India) Pvt. Ltd Thakral Computers Pvt Ltd	2,12,27,994 Nil	2,12,07,994 Nil
4	Unsecured loans availed/(repaid) during the year from companies where directors have significant influence*	20,32,496	(1,42,47,884)
5	Closing balance of unsecured loans from companies where directors have significant influence	2,63,91,116	2,43,58,621

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

Notes forming part of the Financial Statements for the year ended March 31, 2013

* Break up of Unsecured Loans from Associates

Name	Opening Balance Rs.	Maximum Outstanding during the year Rs.	Closing Balance Rs.
Thakral One Solutions Pvt. Ltd	81,17,554	1,47,90,109	1,01,50,049
Westminster Developments Pvt Ltd	48,13,192	48,13,192	48,13,192
Normandy Developments Pvt Ltd	59,54,749	59,54,749	59,54,749
Glade Trading Co. Pvt Ltd	12,87,818	12,87,818	12,87,818
Minnow Trading Co. Pvt Ltd	5,55,308	5,55,308	5,55,308
Inderbethal Singh Thakral	36,30,000	36,30,000	36,30,000
Total	2,43,58,621		2,63,91,116

34. Value of Imports on CIF Basis

Particulars	For the year ending March 31, 2013 Rs.	For the year ending March 31, 2012 Rs.
1. Components & Spares	4,33,98,268	3,56,18,737
Total	4,33,98,268	3,56,18,737

35. Expenditure in Foreign Currency

Particulars	For the year ending March 31, 2013 Rs.	For the year ending March 31, 2012 Rs.
1. Travelling expenditure	4,38,051	5,18,233
Total	4,38,051	5,18,232

36. Earnings in Foreign Currency

Particulars	For the year ending March 31, 2013 Rs.	For the year ending March 31, 2012 Rs.
1. Export of goods on FOB basis	1,40,01,834	1,13,78,004
2. Income from Arrangement Training	35,79,119	60,42,227
3. AMC Income	NIL	5,37,561
Total	1,75,80,953	1,79,57,792

Notes forming part of the Financial Statements for the year ended March 31, 2013

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 Rupees)

Particulars	2012 - 2013	2011 - 2012
Employer's Contribution to Provident Fund	26,30,688	19,47,818
Employer's Contribution to ESI Fund	7,88,879	5,99,033
Total	34,19,567	25,46,851

b) Defined Benefit Plans

Statement of Profit and loss : Gratuity Expenses:

Net Employee benefit expense (Recognised in Employee Cost)

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Current Service Cost	5,70,209	4,60,778
Interest Cost	1,54,871	1,40,988
Expected return on plan assets	NIL	NIL
Net actuarial (gain)/loss recognised in the year	(2,38,700)	(4,78,412)
Net benefit expense	4,86,380	1,23,354

Balance sheet

Details of Provision for gratuity

Particulars	As at March 31, 2013	As at March 31, 2012
Fair Value of plan assets	Nil	Nil
Defined benefit obligation	23,08,390	18,22,010
Plan assets/(Liabilities)	Nil	Nil

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

Particulars	For the year ended March 31, 2013 (Rs.)	For the year ended March 31, 2012 (Rs.)
Opening Defined benefit obligation	18,22,010	16,98,656
Interest Cost	154,871	1,40,988
Current Service Cost	5,70,209	4,60,778
Benefits paid	NIL	NIL
Actuarial gains/(losses) on obligation	(2,38,700)	(4,78,412)
Closing Defined benefit obligation	23,08,390	18,22,010

Notes forming part of the Financial Statements for the year ended March 31, 2013

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

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Opening fair value of the plan asset	Nil	Nil
Expected return	Nil	Nil
Contribution by employer	Nil	Nil
Benefits paid	Nil	Nil
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 March 31, 2013	For the year ended March 31, 2012
Discount rate	8.05%	8.50%
Expected rate of salary increase	4.00%	4.00%

37. The Company is engaged in CCTV Sales and related service activities, during the year the Company has commenced the business in photo voltaic modules, however the turnover from the new segment i.e. photo voltaic modules is not meeting the requirement criteria for reporting as a separate segment as per the guidelines provided in Accounting standard 17- Segment reporting, notified under Section 211 (3C) of the Companies Act, 1956. Hence the reporting requirement under AS 17 does not arise.

38. Previous year's figures are regrouped and rearranged wherever necessary for comparison purposes.

For Brahmaya & Co.,
Firm registration number: 000515S
Chartered Accountants

for and on behalf of the Board of Directors
Thakral Services (India) Limited

G.Srinivas
Partner
Membership No.: 086761

R.C.Bhavuk
Managing Director

K.S.Bawa
Director

Vasu Srinivasan
Company Secretary

Place: Bengaluru
Date : 29th May, 2013

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 Thirtieth Annual General Meeting of the Company to be held on 30th September '2013 and at any adjournment thereof. Signed at _____ this _____ day of _____ 2013

Signature (across the stamp)

Name _____

Regd. Folio No. _____

Affix Rs.1/-
Revenue
Stamp

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 _____

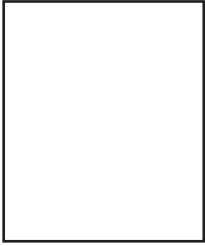
Number of Shares held _____ Equity shares.

I hereby record my presence at the Thirtieth Annual General Meeting of the Company held at Rohini Hall, Hotel Ajantha, 22-A, M.G. Road, Bengaluru – 560 001 (Opposite to HSBC Bank Near ING Vysya Bank-corporate office) at 10.00 a.m. on 30th September 2013.

(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)



Book - Post
Printed Matter

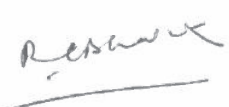

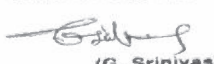
To,

If undelivered please return to :
THAKRAL SERVICES (INDIA) LIMITED.
8th Floor, "THE ESTATE", #121, Dickenson Road,
Bengaluru - 560 042.



FORM A

Format of covering letter of the annual report to be filed with the stock exchanges

1	Name of the Company	THAKRAL SERVICES INDIA LTD.
2	Annual financial statements for the year ended	31 st March,2013
3	Type of audit observation	Un-Qualified
4	Frequency of audit observation	Not Applicable
5	Signed by- • CEO/Managing director • CFO • Auditor of the Company • Audit committee chairman	  For Brahmayya & Co., Firm Regn. No. 000515S Chartered Accountants  (G. Srinivas) Partner Memb. No. 086761 