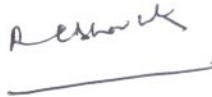







FORM A

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, 2014 |
| 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 |     |

THAKRAL SERVICES (INDIA) LIMITED



THAKRAL SERVICES (INDIA) LIMITED

THIRTY FIRST ANNUAL REPORT 2013-2014

**8TH FLOOR, 'THE ESTATE', No. 121, DICKENSON ROAD,
BENGALURU - 560 042
CIN: L70101KA1983PLC005140**

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THAKRAL SERVICES (INDIA) LIMITED

CIN : L70101KA1983PLC005140

Board of Directors

**Sri. BIKRAMJIT SINGH THAKRAL
Sri. C D P RAJENDRAN
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-560001**

Registered Office

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



NOTICE

NOTICE is hereby given that the **Thirty First** Annual General Meeting of the Members of **THAKRAL SERVICES (INDIA) LIMITED** will be held on Tuesday, the 30th September, 2014 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 31.03.2014 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.Bikramjit Singh Thakral (DIN: 01995374) who retires by rotation and being eligible and offers himself for reappointment.
3. To appoint the Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Brahmayya & Co. Chartered Accountants (Registration No.000515S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To appoint Mr.Joseph Sequeira (DIN:00480463) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as on Ordinary Resolution.

“RESOLVED THAT Mr.Joseph Sequeira (DIN:00480463) be and is hereby appointed as an Independent Director for a tenure of five (5) years from the date of this Annual General Meeting and is not liable to retire by rotation in pursuant to the provisions of sections 149, 152 and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force)”.

5. To appoint Mr.K R Vijayendra (DIN:01279290) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as on Ordinary Resolution.

RESOLVED THAT Mr.K R Vijayendra (DIN:01279290) be and is hereby appointed as an Independent Director for a tenure of five (5) years from the date of this Annual General Meeting and is not liable to retire by rotation in pursuant to the provisions of sections 149, 152 and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force)”.

6. To re-appoint Shri.R C Bhavuk (DIN:00203636) as Managing Director and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Special resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri.R.C.Bhavuk (DIN:00203636) as Managing Director of the Company, for a period of three(3) years with effect from 01.10.2014 to 30.09.2017 on the terms and conditions including remuneration which is given below :

i) Remuneration and Perquisites:

- a) Basic Salary : Rs.60,000/- (Monthly)
- b) Perquisites : Rs.49,125/- (Monthly) which includes housing-Accommodation to be provided, Medical Insurance, Leave travel concession.
- c) Telephone and car -provision of car with driver and telephone at residence.

Retirement Benefits :

Provident Fund, Gratuity and Encashment of Leave as per applicable rules from time to time and as per Company Policy.



ii) 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 01.10.2014.
- 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 ceases to hold the office of Director.

iii) PAYMENT OF MINIMUM REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS:

In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Shri.R.C.Bhavuk (DIN:00203636).The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) of the Company be and is hereby authorised to alter or vary the terms and conditions of the said 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 V of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made thereto."

7. To consider and if thought fit to pass with or without modifications, the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act' 2013, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the company for borrowing, from time to time, such sums of money as the Board may deem fit for the purpose of the business of the Company, notwithstanding that the moneys to be borrowed together with the monies already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, the reserves not set apart for any specific purpose, provided that the total amount upto which the monies may be borrowed by the Board of Directors of the Company shall not exceed the aggregate of the paid-up capital and the free reserves of the Company by more than the sum of Rs.20,00,00,000/- (Rupees Twenty Crores Only) at any one time.

RESOLVED FURTHER THAT Board of Directors of the Company, be and is hereby authorised to do all acts, deeds, things as they may deem expedient, necessary, fit and proper in the interest of the company to give effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS

Regd. Office
8th Floor, 'The Estate', 121,
Dickenson Road,
Bengaluru-560 042
CIN: L70101KA1983PLC005I40

MANAGING DIRECTOR

Place: BENGALURU

Date: 12.08.2014

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 notice.
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 and Transfer Agent 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, 2014 to Tuesday, the 30th September, 2014(both days inclusive).
5. Members are requested to update their email id with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company has taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.
6. Pursuant to the stipulations in Clause 35B of the Listing Agreement read with Section 108 of the Companies Act 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. Mr.Somy Jacob, practicing Company Secretary (C P No-6728, FCS-6269) has been appointed as scrutinizer in this regard. The detailed process for participating in e-voting is furnished below.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field. |



- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Thakral Services (India) Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
 - (B) **The voting period begins on 24th September 2014 at 9.00 AM and ends on 26th September 2014 at 6.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) of 22/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
7. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.



**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. Bikramjit Singh Thakral |
| 2) Date of Birth: | 09.11.1975 |
| 3) Expertise: | Ten years of experience in Management |
| 4) List of Companies in which outside directorship held as on 12.8.2014 | NIL |
| 5) Chairman (C) / Member (M) of the : Committee of the Board of the Companies on which he is a Director as on :12.08.2014 | NIL |

Item No.4:

- | | |
|--|--|
| 1) Name: | Mr. Joseph Sequeira |
| 2) Date of Birth: | 03.04.1945 |
| 3) Expertise: | Banking and Finance Experience for over 3 decades |
| 4) List of Companies in which outside directorship held as on 12.8.2014 | NIL |
| 5) Chairman (C) / Member (M) of the Committee of the Board of the Companies on which he is a Director as on :12.08.2014 | Audit committee - M/s.Thakral Services (India) Ltd (C) Nomination and Remuneration Committee - M/s.Thakral Services (India) Ltd (M) |

Item No.5:

- | | |
|---|--|
| 1) Name: | Mr. K R Vijayendra |
| 2) Date of Birth: | 30.09.1949 |
| 3) Expertise: | Banking and Finance Experience for over 4 decades |
| 4) List of Companies in which outside directorship held as on 12.8.2014 | 1)Can Fin. Homes Ltd |
| 5) Chairman (C) / Member (M) of the Committee of the Board of the Companies on which he is a Director as on : 12.08.2014 | Audit committee - M/s.Thakral Services (India) Ltd (M) Nomination and Remuneration Committee - M/s.Thakral Services (India) Ltd (C) Shareholder's Grievance Committee - M/s.Thakral Services (India) Ltd (C) |



**EXPLANATORY STATEMENT PURSUANT TO
SECTION 102(1) OF THE COMPANIES ACT, 2013**

ITEM NO. :4:

Mr. Joseph Sequeira (DIN:00480463) is an Independent Director of the Company appointed under the provisions of Companies Act, 1956, who is liable to retire by rotation. With the Notification of new Companies Act, 2013, the Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Joseph Sequeira (DIN:00480463) for the office of Independent Director of the Company. Mr. Joseph Sequeira (DIN:00480463) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has also received a declaration from Mr. Joseph Sequeira (DIN:00480463) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Joseph Sequeira (DIN:00480463) fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Joseph Sequeira (DIN:00480463) is independent of the management.

It is proposed to appoint Mr. Joseph Sequeira (DIN:00480463) as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement for a tenure of five (5) years from the date of this Annual General Meeting and is not liable to retire by rotation. Brief resume of Mr. Joseph Sequeira (DIN:00480463), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Annual Report. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Joseph Sequeira (DIN:00480463) is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Joseph Sequeira (DIN:00480463) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except Mr. Joseph Sequeira (DIN:00480463) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. :5:

Mr. K R Vijayendra (DIN:01279290) is an Independent Director of the Company appointed under the provisions of Companies Act, 1956, who is liable to retire by rotation. With the Notification of new Companies Act, 2013, the Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. K R Vijayendra (DIN:01279290) for the office of Independent Director of the Company. Mr. K R Vijayendra (DIN:01279290) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has also received a declaration from Mr. K R Vijayendra (DIN:01279290) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. K R Vijayendra (DIN:01279290) fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. K R Vijayendra (DIN:01279290) is independent of the management.

It is proposed to appoint Mr. K R Vijayendra (DIN:01279290) as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement for a tenure of five (5) years from the date of this Annual General Meeting and is not liable to retire by rotation. Brief resume of Mr. K R Vijayendra (DIN:01279290), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and



memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Annual Report. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr.K R Vijayendra (DIN:01279290) is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr.K R Vijayendra (DIN:01279290) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except Mr.K R Vijayendra (DIN:01279290) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

ITEM NO. : 6

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 12th 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.

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.

The Board of Directors of the Company (the "Board"), at its meeting held on 12th August'2014 on the recommendation of Nomination and Remuneration Committee and subject to the approval of members, re-appointed Shri.R.C.Bhavuk (DIN:00203636) as Managing Director, for a period of 3 (three) years with effect from 1.10.2014, at the remuneration recommended by the Nomination and Remuneration Committee (the "NR Committee") of the Board.

It is proposed to seek the members approval for the reappointment of and remuneration payable to Shri.R.C.Bhavuk (DIN:00203636) as an Managing Director in terms of the applicable provisions of the Companies Act, 2013.

None of the other Directors, Key Managerial Personnel of the Company other than Shri.R.C.Bhavuk (DIN:00203636) are in any way interested or concerned in the said resolution.

The Board commends the Special Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Item No. :7:

1. The Board of Directors intends to increased business activity of the Company. To increase the business your Directors are of the opinion to the borrow monies from Banks/financial Institutions etc. upto Rs.20,00,00,000/-(Rupees Twenty Crores Only).
2. Hence the proposed resolution for consideration and approval by the members of the Company.
3. None of the directors is concerned or interested in the proposed resolution

BY ORDER OF THE BOARD OF DIRECTORS

Regd. Office
8th Floor, 'The Estate', 121,
Dickenson Road,
Bengaluru-560 042
CIN: L70101KA1983PLC005I40

MANAGING DIRECTOR

Place: BENGALURU
Date:12.08.2014



STATEMENT PURSUANT TO CLAUSE (IV) OF SECOND PROVISO TO PARAGRAPH B OF SECTION II OF PART II OF SCHEDULE V TO THE ACT

I. GENERAL INFORMATION :

| | | | | |
|---|--|----------------|----------------|----------------|
| (1) Nature of industry | Electronic Security which comprises of CCTV, Access control, Fire Detection, Alarms, Intrusion Alarms and Solar Power Solutions. | | | |
| (2) Year of Commencement of commercial production | 2007 | | | |
| (3) Financial performance and Export data | (Rs. in lakhs) | | | |
| | FINANCIAL PARAMETERS | 2011-12 | 2012-13 | 2013-14 |
| | TOTAL SALES | 3922.41 | 4102.64 | 3938.31 |
| | PAT | 155.28 | 166.24 | 77.23 |
| | DIVIDEND % | NIL | NIL | NIL |
| EXPORT SALES | 113.78 | 140.01 | 129.94 | |
| (4) Foreign investments or collaborations, if any | NIL | | | |

II. INFORMATION ABOUT THE APPOINTEE:

a. Mr. R C Bhavuk

| | |
|--|---|
| Background details | Furnished under Item 6 of the Explanatory statement |
| Job profile and his suitability | As Managing Director of the Company, he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company. Taking into account his previous experience, educational background, knowledge about the industry, past performance in TSIL and the nature and size of operations of the Company, he is a fit and proper person to be re-appointed as the Managing Director of the Company. |
| Past and proposed remuneration | Mr. R C Bhavuk is reappointed as the Managing Director of the Company for the period of three years with effect from 01.10.2014 on the remuneration as per the relevant resolution. His past remuneration was Rs. 60000/- (basic salary) and perquisites which include housing, medical insurance, leave travel concession as per the rules of the company and provision of car with driver and telephone at residence |
| Comparative remuneration profile with respect to industry, size of the company profile of the position and person. | The proposed remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee. |
| Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | NIL |

**III. OTHER INFORMATION :**

| | |
|---|---|
| Reasons for loss or inadequacy of profits | It is due to the Market Conditions. |
| Steps taken or proposed to be taken for improvement ,Expected increase in productivity and profits in measurable terms. | Steps are taken to improve the higher margin. |

IV. DISCLOSURES :

| | |
|-------------------------------------|---|
| Information on remuneration package | Details furnished in the relevant resolution. |
| Other disclosures | Information on elements of remuneration, components, terms of service etc. are furnished in the resolution. |

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Thirty First Annual Report** along with the Audited Accounts for the year ended 31.03.2014.

FINANCIAL RESULTS:**(Rs. in lakhs)**

| | 31.03.2014 | 31.03.2013 |
|---|-------------------|------------|
| Income from Business | 3938.31 | 4102.64 |
| Gross Income | 3938.31 | 4102.64 |
| Less: Operational Expenses | 3751.44 | 3818.01 |
| Profit/(Loss) Before Depreciation and Tax | 186.87 | 284.63 |
| Depreciation | 44.79 | 35.11 |
| Profit/(Loss) Before Exceptional Items | 142.08 | 249.52 |
| Exceptional Items | 0.00 | 0.00 |
| Profit/(Loss) after Exceptional Items | 142.08 | 249.52 |
| Less: Income Tax/Fringe Benefit Tax/MAT | (48.95) | 90.86 |
| Less: Deferred Tax- Asset /(Liability) | (15.90) | 7.58 |
| Profit/(Loss) for the Year | 77.23 | 166.24 |

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.

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 Director Mr. Bikramjit Singh Thakral is due to retire by rotation and is eligible for re appointment in the coming Annual General Meeting.

AUDITORS :

M/s. Brahmayya & 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:

As required under Section 217(1)(e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is given below:

| | 2013-14 | 2012-13 |
|--|-------------------|------------|
| | (Rs. Lacs) | (Rs. Lacs) |
| i. Foreign exchange earned | 124.35 | 35.79 |
| ii. Foreign exchange used | 1.88 | 4.38 |
| iii. Foreign exchange used for import of Capital Goods, Raw Materials etc. | 279.92 | 433.98 |
| iv. Foreign exchange for export of goods | 129.94 | 140.02 |

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Board of Directors, based on the representations received from the Operations Management, hereby confirms 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 Act 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.

For and on Behalf of the Board of Directors

Place : Bengaluru

Date : 12.08.2014

MANAGING DIRECTOR

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 - Chairman |

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, 2014 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 | 3 | 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 2013-2014, a total of 4 Board meetings were held on the following dates viz. 29.05.2013, 14.08.2013, 13.11.2013 and 14.02.2014. 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, 2013 |
|-----------------------------|----------|----------|---|
| | 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 | 3 | Yes |
| 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. Bikramjit Singh Thakral Director retiring at the ensuing Annual General Meeting being eligible offers himself 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) – Chairman
- 3) Mr. K R Vijayendra (Independent Director) – Member

ii) Audit Committee meeting and Directors Attended.

The Committee met four times during the year 2013-14 i.e on 28.05.2013, 13.08.2013, 12.11.2013 and 13.02.2014. Mr.K R Vijayendra attended one meeting. Mr.K S Bawa and Mr.Joseph Sequeria attended all the meetings.

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. Nomination and Remuneration Committee

i) Remuneration Policy

The Nomination and 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 Nomination and Remuneration Committee makes an annual appraisal of the performance of the Executive Director(s). The annual compensation of the Executive Director(s) is approved by the Nomination and 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 Nomination and Remuneration Committee

The Nomination and 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 Nomination and Remuneration Committee

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

The Nomination and 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 Compliance Officer: Mr.R.C. Bhavuk –Managing Director

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 |
|----------------|------------|-----------|---|-----------------------------------|
| 2012-13 | 30.09.2013 | 10.00 A.M | Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001 | No |
| 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 |

Note:

- 1) 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 Ee Sanje (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 : 30.09.2014
 Day : Tuesday
 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 2014 to 31st March 2015.

First Quarter results : by end of July'2014
 Second Quarter results : by end of October'2014
 Third Quarter results : by end of January'2015
 Fourth Quarter results : by end of April'2015

iii. Book Closure

1. Date of Book Closure : 23-09-2014 to 30-09-2014
 (both days inclusive)

iv. Listing on Stock Exchanges

a. Stock Exchange Listing:

01. BSE Ltd. (Bombay Stock Exchange) 02. Bangalore Stock Exchange
 PhirozeJeejeebhoy Towers, Stock Exchange Tower, No.51, 1st cross,
 Dalal Street, Mumbai - 400 001 J.C.Road, Bengaluru - 560 027.

It is further submitted for information of shareholders that the Annual listing fees of 2014-2015 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 | (2013-2014 BSE) | |
|--------|-----------------|-----------|
| | High Price | Low Price |
| Apr-13 | 23.80 | 16.30 |
| May-13 | 16.90 | 15.90 |
| Jun-13 | 15.75 | 15.30 |
| Jul-13 | 15.75 | 15.00 |
| Sep-13 | 14.26 | 13.55 |
| Oct-13 | 13.00 | 8.67 |
| Dec-13 | 10.50 | 10.50 |
| Jan-14 | 11.57 | 11.02 |
| Mar-14 | 11.55 | 11.00 |

(Data Source :www.bseindia.com)

vi. Registrar and transfer agents:

M/s. Intergrated Enterprises (India) Ltd
 CIN No. 065993TN1987PLC041964
 # 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'2014

| 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 | 1474950 | 12.57 |
| 3 | Individual upto one Lakh | 462830 | 3.94 |
| 4 | Individual above one Lakh and NRI | 1113000 | 9.48 |
| 5 | Mutual Funds and UTI | 0 | 0.00 |
| 6 | Banks, Financial Institutions, Insurance Corporation | 0 | 0.00 |
| 7 | Clearing Members | 100 | 0.00 |
| | Total Public Shareholding | 3050880 | 26.00 |
| | GRAND TOTAL | 11735080 | 100.00 |


ix. Distribution of shareholding as on 31st March'2014

| 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 | 79 | 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 | | 3724 | 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% (66,19,695 equity shares) are held in dematerialized form with NSDL and 39.78% (46,68,561 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 72 of the Companies Act 2013 & rule 4.17(1)& (3) under Share Capital and Debentures Rules, 2014 are requested to submit the prescribed form in Form.No.4.13 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
CIN: L70101KA1983PLC005140
Telephone No: 080-25593891
Fax No: 080-25595739
Website :www.thakral-india.co.in

**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, 2014.

**For and on Behalf of the Board
MANAGING DIRECTOR**

**Place : Bengaluru
Date : 12.08.2014**



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

We, Ramesh Chandra Bhavuk, Managing Director and Mr. S. Gopalakrishnan GM-Finance & Accounts/CFO of Thakral Services (India) Limited to the best of our knowledge and belief, certify that:

We 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 our 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:12.08.2014

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 2014, 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. :000515S
Chartered Accountants.

(G. SRINIVAS)
Partner
Membership No. 086761

Place: Bengaluru
Date : 29.05.2014



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Business Review :

The organization is doing 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 organization 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.

In addition to the above, organisation has opened its roots on solar power business line. Already it has obtained the accreditation as being an authorized Government channel partner. Organisation has more than 100 installations to its credentials already. This is a new line which is growing in the Indian scenario, and the organization is confident that this line will have a good growth in the years to come.

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. In addition, as explained earlier, the solar line is expected to spread across on all segments. With the already established customer contacts, good growth on this line is anticipated.

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 three 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.77.23lakhs 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 Members 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 March 31, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 manner so 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 March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 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, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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 the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of the Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs; and
 - e) On the basis of written representations received from the Directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

G. Srinivas
Partner
Membership No.:086761

Place: Bengaluru
Date : May 29,2014

Annexure to Independent Auditors' Report

Referred to paragraph 7 of our report of even date to the Members of Thakral Services (India) Limited ('the Company') for the year ended 31 March, 2014

i) In respect of the Company's Fixed Assets:

- a) As per the information and explanation provided to us the Company has maintained proper records showing full particulars, including quantitative details and location 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 has 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, in our opinion, the Company has not disposed off any major part of fixed assets and there by does not affect the going concern status of the Company.

ii) In respect of the Companies inventories:

- a) The Inventory has been physically verified by the management in our opinion frequency of verification is reasonable.



- b) The procedures 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 books of records were not material and have been properly dealt with in 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) to (iii) (d) of paragraph 4 order are not applicable to the Company for the year.
- b) The Company has taken loans, from companies, firms or other parties listed in the Register maintained under section 301 of the Act. Details are as follows:

Break up of Unsecured Loans from Associates

| Name of the Party | Opening Balance (Rs.) | Maximum Outstanding during the year (Rs.) | Closing Balance (Rs.) |
|---------------------------------------|-----------------------|---|-----------------------|
| Thakral One Solutions Private Limited | 10,150,049 | 22,402,519 | 19,165,910 |
| Thakral Computers Pvt. Ltd. | - | 9,626,644 | 9,626,644 |
| Raminder Singh | - | 2,300,931 | 2,300,931 |
| Westminster Developments Pvt Ltd | 4,813,192 | 4,813,192 | 4,813,192 |
| Normandy Developments Pvt Ltd | 5,954,749 | 5,954,749 | 5,473,199 |
| Glade Trading Co. Pvt Ltd | 1,287,818 | 1,287,818 | 1,287,818 |
| Minnow Trading Co. Pvt Ltd | 555,308 | 555,308 | 555,308 |
| Inderbethal Singh Thakral | 3,630,000 | 3,630,000 | 3,630,000 |
| Total | 26,391,116 | | 46,853,002 |

- 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 regards to 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 Act, 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 Act, 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 within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the company has an Internal Audit System commensurate with the size of the Company 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 Records under clause (d) of sub-section (1) of section 209 of the Act, for the services rendered by the Company.
- ix) In respect of the Companies Statutory dues
- (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 regular 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 statutory dues as at March 31, 2014 for a period of more than six months from the date they became payable. Further, there have been delays of few days in case remittance of the statutory dues of Employee Provident Fund, Employee State Insurance, Professional Tax, Service Tax, Tax deducted at source and Sales Tax.
- (b) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax and Excise Duty and 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 March 31, 2014 and 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 as per the information and explanations given by the management, we are of the opinion that Company has not defaulted in repayment of dues to the Financial Institutions and banks. The Company has not issued any Debentures.
- xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 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, the Company is not dealing in or trading in Shares, Securities, Debentures and other Securities. Accordingly, clause (xiv) of 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, paragraph 4 (xv) of the order is not applicable.
- 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) According 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 investment.



- xviii) The Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act. Accordingly, clause (xviii) of the paragraph 4 of the order is not applicable to the Company.
- xix) The Company did not have any outstanding debentures during the year and accordingly, clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- xx) The Company has not raised any money by Public Issues during the year and 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, we have not come across any instance of the fraud on or by the Company, has been noticed or reported during course of our audit, nor we have been informed of any such case by the Management.

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

G. Srinivas
Partner
Membership No.:086761

Place: Bengaluru
Date : May 29, 2014



Thakral Services (India) Limited
Balance Sheet as at March 31, 2014

(Amount in Rs.)

| Particulars | Note No. | As at March, 31, 2014 | As at March, 31, 2013 |
|---|----------|-----------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share capital | 3 | 35,205,240 | 35,205,240 |
| (b) Reserves and surplus | 4 | 51,107,537 | 43,384,729 |
| | | 86,312,777 | 78,589,969 |
| (2) Non - current liabilities | | | |
| (a) Long-term borrowings | 5 | 47,845,482 | 26,391,116 |
| (b) Long-term provisions | 6 | 3,263,931 | 2,707,896 |
| | | 51,109,413 | 29,099,012 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 7 | 73,319,690 | 73,404,459 |
| (b) Trade payables | 8 | 45,682,495 | 59,962,418 |
| (c) Other Current Liabilities | 9 | 37,576,587 | 26,691,291 |
| (d) Short-term provisions | 10 | 10,715,620 | 19,934,511 |
| | | 167,294,392 | 179,992,679 |
| TOTAL | | 304,716,582 | 287,681,660 |
| II. ASSETS | | | |
| (1) Non - current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 11 | 20,815,198 | 18,669,997 |
| (ii) In tangible assets | 11 | - | 3,871 |
| (b) Non - current investments | 12 | 156,410 | 156,410 |
| (c) Deferred tax assets (Net) | 13 | 323,429 | 1,913,132 |
| (d) Long term loans and advances | 14 | 9,953,824 | 6,563,198 |
| (e) Other non current assets | 15 | 1,949,353 | 1,300,315 |
| | | 33,198,214 | 28,606,923 |
| (2) Current Assets | | | |
| (a) Inventories | 16 | 16,373,481 | 16,883,734 |
| (b) Trade receivables | 17 | 201,424,522 | 192,770,068 |
| (c) Cash and Bank Balances | 18 | 10,626,995 | 5,786,144 |
| (d) Short term loans and advances | 19 | 29,516,360 | 27,448,282 |
| (e) Other current assets | 20 | 13,577,010 | 16,186,510 |
| | | 271,518,368 | 259,074,737 |
| TOTAL | | 304,716,582 | 287,681,660 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes 1 to 39 are an integral part of the financial statements.

As per our report of even date

For Brahmaya & Co.,

Chartered Accountants

ICAI Firm Registration No. : 000515S

G. Srinivas

Partner

Membership No: 086761

Place: Bengaluru

Date : May 29, 2014

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, 2014

(Amount in Rs.)

| Particulars | Note No. | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|----------|--------------------------------------|--------------------------------------|
| REVENUE FROM OPERATION (GROSS) | 21 | 391,428,225 | 409,189,200 |
| Less: Excise Duty | | - | - |
| Revenue from Operations (Net) | | 391,428,225 | 409,189,200 |
| Other Income | 22 | 2,402,828 | 1,075,262 |
| Total revenue | | 393,831,053 | 410,264,462 |
| Expenses | | | |
| Purchase of Stock-in-trade | 23 | 219,358,029 | 240,733,620 |
| Changes in inventories of stock in trade | 24 | 510,253 | (2,951,683) |
| Employee benefits expense | 25 | 67,254,509 | 61,292,589 |
| Finance costs | 26 | 9,650,498 | 8,506,711 |
| Depreciation and amortization expense | 27 | 4,479,416 | 3,510,813 |
| Other expenses | 28 | 78,370,545 | 74,220,001 |
| Total Expenses | | 379,623,250 | 385,312,051 |
| Profit / (Loss) before Exceptional, Extraordinary items and Tax | | 14,207,803 | 24,952,411 |
| Exceptional Items | | - | - |
| Profit / (Loss) before extraordinary items and Tax | | 14,207,803 | 24,952,411 |
| Extraordinary Items | | - | - |
| Profit / (Loss) before tax | | 14,207,803 | 24,952,411 |
| Tax expense | | | |
| Current tax | | 4,895,292 | 9,086,740 |
| Deferred tax | | 1,589,703 | (758,398) |
| | | 6,484,995 | 8,328,342 |
| Profit / (Loss) after tax | | 7,722,808 | 16,624,069 |
| Earning per equity share: | | | |
| a) Basic | 29 | 0.66 | 1.42 |
| b) Diluted | | 0.66 | 1.42 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes 1 to 39 are an integral part of the financial statements.

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

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)

Place: Bengaluru
Date : May 29, 2014

Vasu Srinivasan
(Company Secretary)



Thakral Services (India) Limited
Cash flow statement for the year ended March 31, 2014

(Amount in Rs.)

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|--------------------------------------|--------------------------------------|
| I. Cash flow from operating activities | | |
| Profit before tax | 14,207,803 | 24,952,411 |
| Non cash adjustment to reconcile profit before tax to net cash flows: | | |
| Depreciation | 4,479,416 | 3,510,813 |
| Bad debts | 5,741 | 132,031 |
| Interest income | (309,796) | (77,944) |
| Income from investments | (7,875) | (7,875) |
| Written off of fixed assets | 11,446 | - |
| Dundry credit balance and provision written back | (515,882) | (722,780) |
| Foreign Exchange Loss | 203,677 | - |
| Interest expenses | 9,650,498 | 8,506,711 |
| Operating profit before working capital changes | 27,725,028 | 36,293,367 |
| Movements in working capital : | | |
| Increase/ (decrease) in trade payables | (13,764,041) | (3,612,680) |
| Increase/ (decrease) in other current liabilities | 10,885,296 | (3,477,332) |
| Decrease / (increase) in trade receivables | (8,863,872) | (21,113,202) |
| Decrease / (increase) in inventories | 510,253 | (2,951,683) |
| Decrease / (increase) in other current assets | 2,609,500 | (1,683,409) |
| Decrease / (Increase) long term loans and advances | (3,390,626) | (2,210,424) |
| Decrease / (increase) short term loans and advances | 5,899,201 | (3,088,394) |
| Increase / (decrease) in long term provisions | 556,035 | 229,362 |
| Increase / (decrease) in short-term provisions | (14,114,183) | (2,436,530) |
| Cash generated from / (used in) operations | 8,052,590 | (4,050,925) |
| Direct taxes paid (net of refunds) | (7,967,279) | (1,614,709) |
| Net cash flow from/ (used in) operating activities (I) | 85,311 | (5,665,634) |
| II. Cash flows from Investing activities | | |
| Purchase of fixed assets | (6,632,192) | (6,836,793) |
| Proceeds from sale of fixed assets | - | 181,615 |
| Redemption of Non-current investments | - | 500,000 |
| Investment in Bank Guarantee Deposits | (649,038) | 413,167 |
| Interest received | 309,796 | 77,944 |
| Income from investment | 7,875 | 7,875 |
| Net cash flow from/ (used in) investing activities (II) | (6,963,559) | (5,656,192) |
| III. Cash flows from financing activities | | |
| Proceeds from long-term borrowings | - | 7,469,654 |
| Repayment of long-term borrowings | 21,454,366 | (5,437,158) |
| Proceeds from short-term borrowings | (84,769) | 19,478,556 |
| Repayment of short-term borrowings | - | - |
| Interest paid | (9,650,498) | (8,506,711) |
| Net cash flow from/(used in) in financing activities (III) | 11,719,099 | 13,004,341 |
| | | |



Thakral Services (India) Limited
Cash flow statement for the year ended March 31, 2014

(Amount in Rs.)

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|--------------------------------------|--------------------------------------|
| Net increase/(decrease) in cash and cash equivalents (I+II+III) | 4,840,851 | 1,682,515 |
| Cash and cash equivalents at the beginning of the year | 5,786,144 | 4,103,629 |
| Cash and cash equivalents at the end of the year | 10,626,995 | 5,786,144 |
| Components of cash and cash equivalents: | | |
| Cash on hand | 809,464 | 88,360 |
| Cheques on hand | - | 3,821,054 |
| With banks | | |
| - on current account | 9,817,531 | 1,876,730 |
| Total cash and cash equivalents | 10,626,995 | 5,786,144 |

The accompanying notes 1 to 39 are an integral part of the financial statements.

As per our report of even date

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

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 : May 29, 2014

Notes forming part of the Financial Statements
for the year ended March 31, 2014

1. 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.

2. Statement of Significant Accounting Policies:

a. Conventions

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian – GAAP). 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 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of



assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of Current events and actions, actual results could differ from these estimates.

c. Tangible Assets

Tangible fixed assets are stated at cost net of cenvat credit and other duty drawbacks less accumulated depreciation and impairment losses, if any. The Cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebate are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

d. 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.

e. 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.

| Particulars | Rates (SLM) | Schedule XIV Rates (SLM) |
|---|-------------|--------------------------|
| Office Equipment | 4.75% | 4.75% |
| Furniture & Fixtures | 6.33% | 6.33% |
| Vehicle | 9.5% | 9.5% |
| Rental Stocks are depreciated over shorter of estimated useful life or rental period. | | |

f. 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.

Software capitalised and depreciated in the earlier years are now written off.

g. 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.

h. 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 Statement of Profit and Loss. 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.

i. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.



Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j. Inventories

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

k. 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.

l. 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.

m. 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.

**n. 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.

o. 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.

p. 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.

q. 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.

r. 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.

s. 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.

t. 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, 2014 | As at March 31, 2013 |
|---|-------------------------|-------------------------|
| 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, 2014 | | As at March 31, 2013 | |
|---|----------------------|------------|----------------------|------------|
| | Number | Amount | Number | Amount |
| At the beginning of the period | 11,735,080 | 35,205,240 | 11,735,080 | 35,205,240 |
| Allotted during the period out of share application money | - | - | - | - |
| 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, 2014 | | As at March 31, 2013 | |
|--|----------------------|---------------|----------------------|---------------|
| | Number | % holding | Number | % holding |
| Equity shares of Rs. 3 (As on 31st March 2012 Rs. 3) 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.



(Amount in Rupees)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

4. Reserves and Surplus

| | | |
|--|-------------------|-------------------|
| a) Capital Reserves | | |
| Opening Balance | 999,918 | 999,918 |
| (+) Current Year Transfer | - | - |
| Closing Balance | 999,918 | 999,918 |
| b) Surplus/ (deficit) in the statement of profit and loss | | |
| Opening balance | 42,384,811 | 25,760,742 |
| Net Profit/(Net Loss) For the current year | 7,722,808 | 16,624,069 |
| Closing Balance | 50,107,619 | 42,384,811 |
| Total Reserves and Surplus | 51,107,537 | 43,384,729 |

5. Long-term borrowings

| | | |
|---|-------------------|-------------------|
| Loans and advances from related parties | 46,853,002 | 26,391,116 |
| Term loan from Banks | | |
| Vehicle Loans | 992,480 | - |
| | 47,845,482 | 26,391,116 |
| The above amount includes | | |
| Secured Borrowings | 992,480 | - |
| Unsecured Borrowings | 46,853,002 | 26,391,116 |

(Current Portion of Long Term Borrowings is shown under "Other Current Liabilities")

Terms of repayment:

As per the terms and conditions of agreements entered between the Company and HDFC Bank for the car loan availed, the loan is to be repaid on a monthly basis by September 2018.

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 31st March 2017.

6. Long Term Provisions

| | | |
|--|------------------|------------------|
| Provision for employee benefits | | |
| Provision for Gratuity | 2,296,856 | 1,927,985 |
| Provision for Leave benefits | 681,475 | 494,311 |
| Provision for Superannuation | 285,600 | 285,600 |
| | 3,263,931 | 2,707,896 |



Notes forming part of the Financial statements

(Amount in Rupees)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

7. Short-term borrowings

| | | |
|--|-------------------|-------------------|
| Short Term Loans – Secured from banks | | |
| i) Working capital demand loan | 60,000,000 | 55,000,000 |
| ii) Cash credit | 13,319,690 | 18,404,459 |
| | 73,319,690 | 73,404,459 |

(Working capital Demand Loan and Cash Credit are 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, Bengaluru 560042, standing in the name of "Thakral Computers Private Limited".)

8. Trade payable

| | | |
|----------------------------------|-------------------|-------------------|
| Trade payable | | |
| due to MSMED (Refer Note No. 30) | - | - |
| due to Others | 45,682,495 | 59,962,418 |
| | 45,682,495 | 59,962,418 |

9. Other Current Liabilities

| | | |
|---------------------------------|-------------------|-------------------|
| Income received in advance | 425,194 | 1,182,508 |
| Advance received from Customers | 5,198,429 | 5,939,883 |
| Other Statutory Liability | 19,272,091 | 7,149,107 |
| Current portion of Vehicle Loan | 216,789 | - |
| Salary payable | 6,836,891 | 8,999,998 |
| Audit Fees Payable | 328,653 | 333,653 |
| Internal Audit fee Payable | 45,000 | - |
| Interest on Car Loan Payable | 11,337 | - |
| Others | 5,242,203 | 3,086,142 |
| | 37,576,587 | 26,691,291 |

10. Short term Provisions

| | | |
|--|-------------------|-------------------|
| Provision for employee benefits | | |
| Provision for gratuity | 325,196 | 380,405 |
| Provision for leave benefits | 461,184 | 330,730 |
| | 786,380 | 711,135 |
| Other provision | | |
| Provision for Income Tax | 4,895,292 | 14,258,143 |
| Provision for Warranty | 4,237,391 | 3,264,843 |
| Provision pending installation | 796,557 | 1,700,390 |
| | 9,929,240 | 19,223,376 |
| | 10,715,620 | 19,934,511 |



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

1.1. Tangible Assets & Intangible Assets :

(Amount in Rupees)

| Description of Assets | Gross Block | | | Depreciation | | | | Net block Value as at | | |
|--------------------------|-------------------|------------------|-----------------|-------------------|------------------|------------------|----------------|-----------------------|-------------------|-------------------|
| | As at 1.4.2013 | Additions | Deductions | As at 31.3.2014 | As at 1.4.2013 | For the Period | Adjustments | Deletions | As at 31.3.2014 | 31.3.2013 |
| Tangible Assets | | | | | | | | | | |
| Office Equipment | 5,619,453 | 936,749 | (2,311) | 6,553,891 | 2,175,360 | 701,357 | (1,293) | - | 2,875,424 | 3,678,467 |
| Furniture & Fixtures | 4,611,940 | 2,281,067 | - | 6,893,007 | 1,198,858 | 322,894 | - | - | 1,521,752 | 5,371,255 |
| Rental Stock | 15,418,283 | 601,866 | - | 16,020,149 | 3,620,894 | 3,336,339 | - | - | 6,957,233 | 9,062,916 |
| Plant & Machinery | 16,400 | 400,653 | - | 417,053 | 967 | 3,960 | - | - | 4,927 | 412,126 |
| Motor Car | - | 2,411,857 | - | 2,411,857 | - | 121,423 | - | - | 121,423 | 2,290,434 |
| | 25,666,076 | 6,632,192 | (2,311) | 32,295,957 | 6,996,079 | 4,485,973 | (1,293) | - | 11,480,759 | 20,815,198 |
| Intangible Assets | | | | | | | | | | |
| Software | 33,139 | - | (33,139) | - | 29,268 | 2,136 | (7,400) | (24,004) | - | 3,871 |
| | 33,139 | - | (33,139) | - | 29,268 | 2,136 | (7,400) | (24,004) | - | 3,871 |



| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

12. Non-current investments

| | | |
|--|----------------|----------------|
| Non Trade - Quoted Investment in Equity Instruments | | |
| Share in M/s Jaiprakash Associates Ltd (15,750 Equity share of 2 each) | 156,410 | 156,410 |
| Market Value of Investments as at March 31, 2014 is Rs. 1,148,175 (Previous Year Rs. 1,009,890) | | |
| | 156,410 | 156,410 |

13. Deferred tax Assets (net)

| | | |
|---|--------------------|------------------|
| Deferred tax liabilities | | |
| Depreciation/amortisation charged | (2,671,340) | (212,375) |
| (A) | (2,671,340) | (212,375) |
| Deferred tax assets | | |
| Provision for Gratuity/Leave Encashment/Warranty Etc... | 2,994,769 | 2,125,507 |
| (B) | 2,994,769 | 2,125,507 |
| Net Deferred Tax Assets (Net) | 323,429 | 1,913,132 |

14. Long Term Loans and advances

| | | |
|----------------------------|------------------|------------------|
| Security deposit | | |
| Unsecured, considered good | 9,953,824 | 6,563,198 |
| | 9,953,824 | 6,563,198 |

15. Other non current assets

| | | |
|--|------------------|------------------|
| Others | | |
| Margin Money deposit for Bank Guarantees | 1,949,353 | 1,300,315 |
| | 1,949,353 | 1,300,315 |

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

| | | |
|----------------|-------------------|-------------------|
| Stock-in-trade | 16,373,481 | 16,883,734 |
| | 16,373,481 | 16,883,734 |



Notes forming part of the Financial statements

(Amount in Rupees)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

17. Trade receivable

| | | |
|---|--------------------|--------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 46,483,510 | 38,664,155 |
| Unsecured, considered, doubtful | 12,078 | 12,078 |
| | 46,495,588 | 38,676,233 |
| Provision for doubtful trade receivables | (12,078) | (12,078) |
| (A) | 46,483,510 | 38,664,155 |
| Outstanding for a period Less than six months from the date they are due for payment | | |
| Secured, considered good | - | - |
| Unsecured, considered | 154,941,012 | 154,105,912 |
| | 154,941,012 | 154,105,912 |
| Provision for doubtful trade receivables | - | - |
| (B) | 154,941,012 | 154,105,912 |
| Total (A+B) | 201,424,522 | 192,770,068 |

18. Cash and Bank Balances

| | | |
|--|-------------------|------------------|
| I. Cash and Cash Equivalent | | |
| Cash on hand | 809,464 | 88,360 |
| Balances with banks | | |
| - On current accounts | 9,817,531 | 1,876,730 |
| Cheques/ drafts on hand | - | 3,821,054 |
| | 10,626,995 | 5,786,144 |
| Amount disclosed under Non Current Assets | | |
| - Margin money deposit for bank guarantee | 1,949,353 | 1,300,315 |

19. Short term loans and advances

| | | |
|--|-------------------|-------------------|
| Other loans and advances | | |
| Service Tax Receivable | 135,648 | - |
| Input VAT Receivable | - | 20,425 |
| Works contract tax receivable | 656,894 | 125,982 |
| Advance income-tax | 15,099,745 | 7,132,466 |
| Advances to employee for salary and expenses | 1,871,203 | 2,522,877 |
| Advances against purchases | 1,696,411 | 4,264,107 |
| Prepaid expenses | 104,975 | 70,192 |
| Earnest money deposits with Customers | 5,504,474 | 8,656,371 |
| Other loans and advances | 4,447,010 | 4,655,862 |
| | 29,516,360 | 27,448,282 |



Notes forming part of the Financial statements

(Amount in Rupees)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

20. Other current assets

| | | |
|--|-------------------|-------------------|
| Interest accrued but not received | 15,520 | 9,915 |
| Retention money receivable from customer | 13,561,490 | 16,176,595 |
| | 13,577,010 | 16,186,510 |

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

21. Revenue from operations

| | | |
|---|--------------------|--------------------|
| Revenue from operations | | |
| Sale of Goods | | |
| Domestic sales | 316,715,061 | 357,870,750 |
| Export sales | 12,994,373 | 14,001,834 |
| Sale of services | | |
| Service and Installation charges received | 40,616,656 | 26,202,209 |
| Rental Receipt on Stocks and AMC Income | 8,667,347 | 7,535,288 |
| Other operating income | | |
| Commission from marketing services | 6,186,000 | - |
| Income from arrangement of training | 6,248,788 | 3,579,119 |
| | 391,428,225 | 409,189,200 |

22. Other income

| | | |
|--|------------------|------------------|
| Interest income | 309,796 | 77,944 |
| Dividend Income from non trade quoted investment | 7,875 | 7,875 |
| Miscellaneous income | 2,085,157 | 989,443 |
| | 2,402,828 | 1,075,262 |

23. Purchases of stock in trade

| | | |
|-------------------------|--------------------|--------------------|
| Stand alone DVR | 43,841,819 | 55,737,657 |
| Cameras | | |
| Dome Cameras | 25,872,732 | 28,754,442 |
| C Mount Cameras | 1,366,019 | 2,769,359 |
| Cameras-Others | 12,340,733 | 15,654,826 |
| DVR Card | - | 39,548 |
| Lens | 254,241 | 553,921 |
| Cameras and Accessories | 1,858,007 | 3,227,310 |
| Cable Accessories | 54,464,371 | 56,249,003 |
| Other Parts | 79,360,107 | 77,747,554 |
| | 219,358,029 | 240,733,620 |



Notes forming part of the Financial statements

(Amount in Rupees)

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

24. (Increase)/ decrease in inventories

| | | |
|--|----------------|--------------------|
| Inventories at the end of the year | 16,373,481 | 16,883,734 |
| Inventories at the beginning of the year | 16,883,734 | 13,932,051 |
| (Increase)/ decrease in inventories | 510,253 | (2,951,683) |

25. Employee benefit expense

| | | |
|--|-------------------|-------------------|
| Salaries, wages and bonus | 58,880,403 | 55,226,233 |
| Contribution to Provident Fund and ESI | 3,734,580 | 3,419,567 |
| Gratuity expenses | 339,047 | 508,592 |
| Staff welfare expenses | 4,300,479 | 2,138,197 |
| | 67,254,509 | 61,292,589 |

26. Finance costs

| | | |
|----------|------------------|------------------|
| Interest | 9,650,498 | 8,506,711 |
| | 9,650,498 | 8,506,711 |

27. Depreciation and amortization expense

| | | |
|-----------------------------------|------------------|------------------|
| Depreciation of tangible assets | 4,477,280 | 3,505,441 |
| Amortization of Intangible Assets | 2,136 | 5,372 |
| | 4,479,416 | 3,510,813 |

28. Other expenses

| | | |
|----------------------------------|------------|------------|
| Cabling and Installation charges | 21,876,873 | 21,308,057 |
| Carriage and Freight Inward | 2,647,472 | 2,818,628 |
| Commission and Brokerage | 125,000 | - |
| Training and Seminar Expenses | 5,522,500 | 3,200,000 |
| Packing Material | 126,010 | 133,717 |
| Insurance | 293,513 | 314,611 |
| Rental Expenses | 11,164,614 | 10,498,603 |
| Rates and Taxes | 433,053 | 307,234 |
| Printing and Stationery | 961,038 | 1,014,955 |
| Software Expenses | 1,414,494 | 595,604 |
| Communication Expenses | 3,999,512 | 3,769,082 |
| Electricity Charges | 1,447,352 | 1,263,443 |
| Repairs and Maintenance | 622,188 | 586,296 |



Notes forming part of the Financial statements

(Amount in Rupees)

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|------------------------------|--------------------------------------|--------------------------------------|
| Travelling and Conveyance | 14,491,076 | 12,252,020 |
| Legal and Consultancy | 1,550,890 | 2,116,596 |
| Security Service Charges | 129,217 | 369,057 |
| Bank Charges | 606,358 | 302,178 |
| Carriage and Freight Outward | 4,770,781 | 6,008,433 |
| Sales Promotion Expenses | 2,992,055 | 3,042,035 |
| Miscellaneous expenses | 2,284,446 | 3,292,262 |
| Directors Sitting Fees | 40,300 | 36,000 |
| Donation | 33,590 | 530,400 |
| Payment to Auditors | | |
| For Statutory Audit | 275,000 | 275,000 |
| For Tax Audit | 50,000 | 50,000 |
| For Expenses | 21,720 | 36,878 |
| Written off of asset | 11,446 | - |
| Exchange Fluctuation loss | 480,047 | 98,912 |
| | 78,370,545 | 74,220,001 |

29. Basic and Diluted Earning per share (EPS)

| | | |
|--|-------------|-------------|
| (a) Profit/(loss) after Tax for the year ended | 7,722,808 | 16,624,069 |
| (b) Weighted average number of equity shares outstanding basic EPS (Nos.) | 11,735,080 | 11,735,080 |
| (c) Face Value per Share | 3 | 3 |
| Earnings per share - Basic | 0.66 | 1.42 |
| Earnings per share - Diluted | 0.66 | 1.42 |

30. 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, 2014. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.



31. 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. M/s. Future World Retail Pvt. Ltd. | Associates |
| B. Key Management Personnel Mr. R.C. Bhavuk | Managing Director |
| C. Relative of Key Management Personnel: Mrs. Beena Sharma Mr. Raminder Singh Mr. Inderbethal Singh Thakral | Wife of Mr. R.C. Bhavuk Relative of Director Relative of Director |

b) Summary of the Related Party Transaction: (Balance Sheet item)

| Sl. No. | Related Party Transactions | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|---------|---|--------------------------|--------------------------|
| 1 | Advances Given/ (taken) Thakral Computers Pvt Ltd Future World (India) Pvt Ltd | (96,26,644) 10,00,000 | NIL 11,21,540 |
| 2 | Rental Deposit Thakral One Solutions Pvt Ltd | 37,81,200 | NIL |
| 3 | Trade Receivables Future World (India) Pvt. Ltd. | 2,13,00,086 | 2,12,27,993 |
| 4 | Unsecured loans availed/(repaid) during the year from companies where directors have significant influence* | 2,02,81,807 | 20,32,496 |
| 5 | Closing balance of unsecured loans from companies where directors have significant influence | 4,68,53,002 | 2,63,91,116 |

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. |
|----------------------------------|------------------------|---|------------------------|
| Thakral One Solutions Pvt. Ltd | 1,01,50,049 | 22,402,519 | 1,91,65,910 |
| Thakral Computers Pvt Ltd | - | 96,26,644 | 96,26,644 |
| Raminder Singh | - | 23,00,931 | 23,00,931 |
| Westminster Developments Pvt Ltd | 48,13,192 | 48,13,192 | 48,13,192 |
| Normandy Developments Pvt Ltd | 59,54,749 | 59,54,749 | 54,73,199 |
| 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 | 2,63,91,116 | | 4,68,53,002 |

b) Summary of the Related Party Transaction: (Profit & Loss account Item)

| Sl. No. | Related Party Transactions | For the year ended March 31, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|-----------|--|---|---|
| 1 | Remuneration: Key Management Personnel R. C. Bhavuk | 14,87,167 | 14,87,167 |
| 2. | Rent Payment Thakral One Solution Pvt. Ltd | 31,98,135 | NIL |

32. Value of Imports on CIF Basis

| Particulars | For the year ended March 31, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|------------------------|---|---|
| 1. Components & Spares | 2,79,91,972 | 4,33,98,268 |
| Total | 2,79,91,972 | 4,33,98,268 |

33. Expenditure in Foreign Currency

| Particulars | For the year ended March 31, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|---------------------------|---|---|
| 1. Travelling expenditure | 1,88,276 | 4,38,051 |
| Total | 1,88,276 | 4,38,051 |

34. Earnings in Foreign Currency

| Particulars | For the year ended March 31, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|---------------------------------------|---|---|
| 1. Export of goods on FOB basis | 1,29,94,373 | 1,40,01,834 |
| 2. Income from Arrangement Training | 62,48,788 | 35,79,119 |
| 3. Commission from marketing Expenses | 61,86,000 | |
| Total | 2,54,29,161 | 1,75,80,953 |



Notes forming part of the Financial statements

35. 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 | For the year ended March 31, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|---|---|---|
| Employer's Contribution to Provident Fund | 28,34,975 | 26,30,688 |
| Employer's Contribution to ESI Fund | 8,99,605 | 7,88,879 |
| Total | 37,34,580 | 34,19,567 |

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, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|--|---|---|
| Current Service Cost | 6,31,788 | 5,70,209 |
| Interest Cost | 1,85,825 | 1,54,871 |
| Expected return on plan assets | NIL | NIL |
| Net actuarial (gain)/loss recognised in the year | (5,03,951) | (2,38,700) |
| Net benefit expense | 3,13,662 | 4,86,380 |

Balance sheet

Details of Provision for Gratuity

| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|----------------------------|--------------------------------|--------------------------------|
| Fair Value of plan assets | NIL | Nil |
| Defined benefit obligation | 26,22,052 | 23,08,390 |
| Plan assets/(Liabilities) | NIL | Nil |

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

| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|---|--------------------------------|--------------------------------|
| Opening Defined benefit obligation | 23,08,390 | 18,22,010 |
| Interest Cost | 1,85,825 | 154,871 |
| Current Service Cost | 6,31,788 | 5,70,209 |
| Benefits paid | NIL | NIL |
| Actuarial (gains)/losses on obligation | (5,03,951) | (2,38,700) |
| Closing Defined benefit obligation | 26,22,052 | 23,08,390 |



Notes forming part of the Financial statements

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

| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 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 | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|----------------------------------|--------------------------------|--------------------------------|
| Discount rate | 9.20% | 8.05% |
| Expected rate of salary increase | 4.00% | 4.00% |

36. Derivative Instruments

Foreign currency exposure that are not hedged by a derivative instruments or otherwise are as follows

| Particulars | As at March 31, 2014 | | As at March 31, 2014 | |
|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| | Amount in Original Currency | Equivalent in Rs. | Amount in Original Currency | Equivalent in Rs. |
| Assets | | | | |
| I) Trade Receivables | \$1,48,706 | 89,13,437 | - | - |

37. Contingent Liabilities

| Particulars | As at March 31, 2014 | As at March 31, 2014 |
|--|----------------------|----------------------|
| 1. Corporate guarantee given to related party for getting Additional credit facility from their vendor | 1,00,00,000 | NIL |
| Total | 1,00,00,000 | NIL |

**38. Segment Reporting:**

The Company is engaged in CCTV and Solar Photo voltaic modules Sales and related service activities, the turnover from Solar Photo Voltaic modes 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.

39. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous period figures have been recast/restated to conform to the classification of the current year.

As per our report of even date

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

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: 29thMay, 2014



ATTENDANCE SLIP

THAKRAL SERVICES (INDIA) LIMITED

CIN: L70101KA1983PLC005140
 Registered Office : 8TH FLOOR, 'THE ESTATE', 121,
 DICKENSON ROAD, BENGALURU - 560 042
 Ph:080-25593891/25593892 E-mail: tsil@thakral-india.co.in

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

| | |
|---------------------------------|---------|
| Name of the attending Member(s) | : |
| Folio/DP ID-client No | : |
| No. of shares held | : |

I hereby record my presence at the **31ST ANNUAL GENERAL MEETING** of the Company held on Tuesday, the 30th September, 2014 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).

NAME OF PROXY IN BLOCK LETTERS:

SIGNATURE OF THE SHAREHOLDER/PROXY*:

*Strike out whichever is not applicable.

FORM NO.MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

THAKRAL SERVICES (INDIA) LIMITED

CIN: L70101KA1983PLC005140
 Registered Office : 8TH FLOOR, 'THE ESTATE', 121,
 DICKENSON ROAD, BENGALURU - 560 042
 Ph:080-25593891/25593892 E-mail: tsil@thakral-india.co.in

| | |
|---------------------------|---|
| Name of the Member(s) | : |
| Registered Address | : |
| E-mail ID | : |
| Folio/DP ID-Client ID No. | : |

I/we, being the member(s) of shares of the above named Company, hereby appoint:

- 1) Name.....Address.....
 E-mail ID.....Signature..... or failing him/her;
- 2) Name.....Address.....
 E-mail ID.....Signature..... or failing him/her;
- 3) Name.....Address.....
 E-mail ID.....Signature..... or failing him/her;



as my/our proxy to attend and vote (on a poll) for me/us and my/or behalf on Tuesday, the 30th September, 2014 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) and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolutions | Optional* | |
|---------|---|-----------|---------|
| | | For | Against |
| | ORDINARY BUSINESS | | |
| 1. | Adoption of the audited Balance Sheet as on 31.03.2014 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. | Appointment of Mr.Bikramjit Singh Thakral as a Director of the Company. | | |
| 3. | Appointment of Auditors and fixing their remuneration. | | |
| | SPECIAL BUSINESS | | |
| 4. | Appointment of Mr.Joseph Sequeira, as an Independent Director of the Company. | | |
| 5. | Appointment of Mr. K R Vijayendra, as an Independent Director of the Company. | | |
| 6. | Re-appointment of Mr.R C Bhavuk as a Managing Director of the Company. | | |
| 7. | Fixing the limits of borrowing power of the Company. | | |

Signed thisday of.....2014.

Signature of Shareholder(s).....

Signature of Proxy holder(s).....

Affix Rs.1/-
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Please complete all details including details of member(s) in above box before submission.
- *It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will entitle to vote in the manner as he/she thinks appropriate.
- In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.
- A person can act as Proxy on behalf of fifty (50) members and holding in the aggregate not more than 10% of the total Share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.

E-VOTING PERIOD

| STARTING DATE | STARTING TIME | ENDING DATE | ENDING TIME |
|---------------|---------------|-------------|-------------|
| 24-09-2014 | 9.00 AM | 26-09-2014 | 6.00 PM |