

**33rd ANNUAL REPORT**

**THAKRAL SERVICES (INDIA) LIMITED**



THAKRAL

**2015-16**

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## COMPANY INFORMATION

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### THAKRAL SERVICES (INDIA) LIMITED

CIN: L70101KA1983PLC005140

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#### BOARD OF DIRECTORS

Shri.Bikramjit Singh Thakral	Non Executive Director
Shri.C D P Rajendran	Non Executive Director
Shri.Joseph Sequeira	Independent Director
Shri.Kanwaljeet Singh Bawa	Non Executive Director
Shri.Ramesh Chandra Bhavuk	Managing Director
Shri.K R Vijayendra	Independent Director
Smt.PrasannaPanicker	Non Executive Director

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#### Chief Financial Officer

Shri.S Gopalakrishnan

#### Company Secretary

Mrs.Savita Bansal

#### Registered Office:

8<sup>th</sup> Floor 'The Estate'  
121 Dickenson Road  
Bengaluru - 560 042  
Phone No: 080-25593891  
Fax : 080 – 25595739

#### Registrars & Share Transfer Agents:

Integrated Enterprises (India) Ltd  
No. 30 Ramana Residency 4th Cross  
Sampige Road Malleswaram  
Bengaluru-560003  
Tel: +91-80-23460815-818  
Fax: +91-80-23460819

#### Statutory Auditors:

M/s.Brahmayya & Co  
Chartered Accountants  
"Khivraj Mansion" 10/2  
Kasturba Road, Bengaluru-560001

#### Secretarial Auditor:

Somy Jacob and Associates  
Practicing Company Secretaries  
3/6-6 3<sup>rd</sup> floor Sheik Ali Complex  
3<sup>rd</sup> Cross Koramangala 2<sup>nd</sup> Block  
Bengaluru- 560068

#### Bankers:

YES BANK LTD

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#### BOARD COMMITTEES

##### Audit Committee:

Shri. Joseph Sequeira - Chairman  
Shri.K R Vijayendra - Member  
Shri.Kanwaljeet Singh Bawa - Member

##### Nomination and Remuneration Committee:

Shri. K R Vijayendra - Chairman  
Shri. Joseph Sequeira - Member  
Shri.Kanwaljeet Singh Bawa - Member

##### Stakeholders Relationship Committee:

Shri. K R Vijayendra - Chairman  
Shri. Ramesh Chandra Bhavuk - Member  
Shri. Kanwaljeet Singh Bawa - Member

## NOTICE

**NOTICE** is hereby given that the **THIRTY THIRD** Annual General Meeting of the Members of THAKRAL SERVICES (INDIA) LIMITED will be held on Friday, the 30th September, 2016 at 10.00 a.m. at Rohini Hall, Hotel Ajantha, 22-A, M. G. Road, Bengaluru – 560 001 (Opposite to HSBC Bank) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on 31.03.2016 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 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.”

**BY ORDER OF THE BOARD OF DIRECTORS**

sd/-

**MANAGING DIRECTOR**

**Place: Bengaluru**

**Date : 10.08.2016**

### **Regd.Office:**

8th Floor

'The Estate' 121

Dickenson Road

Bengaluru – 560 042

CIN:L70101KA1983PLC005140

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** Proxy forms duly completed in all respects shall be lodged with the Company at least 48 hours before the time fixed for the meeting. The proxy form is annexed at the end of this report.
2. Members are requested to address all correspondence regarding De-mat, Share Transfers, Certificate Endorsement, Change of Address and other General Queries, to our Registrar M/s. Integrated Enterprises (India) Ltd (formerly M/s. Alpha Systems Pvt. Ltd) No.30,Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bengaluru – PIN – 560 003.
3. The Proxies and Members are requested to bring their attendance slip, to the meeting and sign at the entrance of the venue.
4. The Register of Members and Share Transfer books shall remain closed from Friday, the 23rd September, 2016 to Friday, the 30th September, 2016(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 despatch 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. **Voting for transaction of Business:**

The Business as set out in the Notice may be transacted and that:

- i) The Company is providing facility for voting through electronic means in pursuant of Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Sub-regulation (I) of Regulation 44 of SEBI (LODR) Regulations, 2015, the Company has entered into an arrangement with Central Depository Services Limited (CDSL) to facilitate the Members to exercise their right to vote by electronic means. Mr.Somy Jacob, practicing Company Secretary (C P No-6728, FCS-6269) has been appointed as scrutinizer in this regard.
- ii) The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting to the members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- iii) The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again.
- iv) The detailed process for participating in remote 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>· 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.</li> <li>· 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.</li> </ul>
DOB#	<p>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.</p>
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• 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 member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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](http://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](mailto: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](mailto: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 remote e-voting period begins on Tuesday the 27th September 2016 at 9.00 a.m IST and ends on Thursday the 29th September 2016 at 5.00 p.m. IST . 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 23/09/2016, may cast their vote electronically. The remote 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
1. A person who has participated in remote 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.
  2. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website, i.e. [www.thakral-india.co.in](http://www.thakral-india.co.in) and on the website of CDSL within three days of passing of the resolution at the AGM on the Company. The result will also be communicated to the stock exchanges where the shares of the company are listed.
  3. Any person, who acquires shares of the Company and become a member after despatch of the notice and holding shares as on the cut-off date i.e., September 23<sup>rd</sup> 2016 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [irg@integratedindia.in](mailto:irg@integratedindia.in).
  4. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Thirty Third Annual Report** along with the Audited Accounts for the year ended 31.03.2016.

### FINANCIAL RESULTS:

The performance during the period ended 31st March, 2016 is as under:

(Amount In Lakhs)

Sl.No	Particulars	2015-16	2014-15
1	Gross Income	<b>1840.97</b>	2954.79
2	Profit Before Interest and Depreciation	<b>-182.55</b>	-211.35
3	Finance Charges	<b>87.38</b>	97.33
4	Gross Profit	<b>-269.93</b>	-308.68
5	Depreciation and Amortisation expenses	<b>46.16</b>	56.62
6	Net Profit Before Tax	<b>-316.09</b>	-365.30
7	Provision for Tax	<b>-29.99</b>	26.76
8	Profit After Tax	<b>-346.08</b>	-338.54
9	Balance of Profit brought forward	<b>164.67</b>	511.07
10	Adjustment on account of Assets	<b>0.00</b>	-7.86
11	Balance available for appropriation	<b>-181.41</b>	164.67
12	Surplus carried to Balance Sheet	<b>-181.41</b>	164.67

### 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 needs 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). 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.

### DIRECTORS:

The Board of Directors of the Company consists of 7 Directors, of whom 2 are Non-Executive Independent Directors, 3 Non-Executive Directors, 1 Non - Executive Women Director and 1 Executive Director. The Directors Mr. Bikramjit Singh Thakral due to retire by rotation and is eligible for re appointment in the coming Annual General Meeting.



**DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**NUMBER OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD:**

Since the commencement of the financial year 2015-2016, a total of 5 Board meetings were held on the following dates viz. 29.05.2015, 13.08.2015, 14.11.2015, 12.02.2016 and 29.03.2016. The maximum time gap between two board meetings was not more than four calendar months.

**STATUTORY AUDITORS:**

M/s.Brahmayya & Co., 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.

**SECRETARIAL AUDITORS:**

M/s.Somy Jacob and Associates, Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under section 204 of the Companies Act, 2013 and Rule 9 there-under. The secretarial audit report for FY-2015-16 forms part of this Report as Annexure-I.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

The information pursuant to 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules,2014 on Conservation of energy, Research & Development and Technology Absorption are presently not applicable to the Company.

**The total Foreign Exchange Earnings and Outgo during the year under review is as under:**

Particulars	(Rs. In Lakhs)	
	2015-16	2014-15
i. Foreign exchange earned	33.45	29.92
ii. Foreign exchange used	0.00	1.37
iii. Foreign exchange used for import of Capital Goods, Raw Materials etc.	65.22	162.02
iv. Foreign exchange for export of goods	46.74	59.05

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have 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 and loss of the company for the same period;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

**CORPORATE GOVERNANCE REPORT:**

Since the paid up capital of the Company is less than Rs.10 Crores and the networth of the Company is less than Rs.25 Crores, the provision of Regulations 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C,D & E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company does not fall under the purview of section 135 of the Companies Act, 2013 during the financial year 2015-16.

**VIGIL MECHANISM:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

**RELATED PARTY TRANSACTIONS:**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is annexed herewith as Annexure-II.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-III.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished below:

(Rs. In Lakhs)

Sl. No.	Name	Designation	Remuneration paid Fy2015-16 Rs. in lakhs	Remuneration paid Fy2014-15 Rs. in lakhs	Increase in remuneration from previous year	Ration/Times per Median of Employee Remuneration
1	Mr.Ramesh Chandra Bhavuk	Managing Director (KMP)	14.87	14.87	----	18
2	Mr.S.Gopala Krishnan	(CFO-KMP)	7.94	8.85	----	9
3	Ms.Pooja Jain	(CS-KMP)	1.24	0.11	----	1
4	Mrs.SavitaBansal	(CS-KMP)	0.13	----	----	----

In terms of Rule 5(2) of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of Rs.60 Lakhs or more, or employees who are employed for part of the year and in receipt of Rs.5 Lakhs or more per month.

**ACKNOWLEDGMENTS:**

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

**ON BEHALF OF THE BOARD OF DIRECTORS**

Sd/-  
**CHAIRMAN**

**Place : Bengaluru**

**Date : 30.05.2016**

**Annexure -I**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31,2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,  
M/s Thakral Services (India) Limited  
8th Floor, The Estate Building,  
# 121,Dickenson Road,  
Bengaluru 560042  
Karnataka-INDIA

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.Thakral Services (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the M/s.Thakral Services (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s.Thakral Services (India) Limited("the Company") for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other applicable Acts and Rules annexed as Annexure 1 (Mention the other laws as may be applicable specifically to the company)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the note that the company has delayed in depositing with appropriate authorities the undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Employee Provident Fund and other statutory dues to the extent applicable to it.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the note that the appointment of woman director as required under section 149 (1) was made on 29.05.2015. The Company has intimated to the Stock Exchange accordingly.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Bengaluru  
Date : 30/05/2016

For Somy Jacob and Associates  
Sd/-  
Somy Jacob, Partner  
FCS No.: 6269  
C P No.: 6728

## ANNEXURE -OTHER APPLICABLE ACTS AND RULES

CONSUMER PROTECTION ACT 1986

KARNATAKA SHOPS AND COMMERCIAL ESTABLISHMENT ACT 1961, and KARNATAKA SHOPS AND COMMERCIAL ESTABLISHMENT RULES 1963

THE EMPLOYEES PROVIDENT FUND & MISCELLANEOUS PROVISIONS ACT 1952 and EMPLOYEES' PF SCHEME 1952

EMPLOYEES PENSION SCHEME 1995

THE MATERNITY BENEFITS ACT, 1961, THE KARNATAKA MATERNITY BENEFITS RULES 1961

THE KARNATAKA MINIMUM WAGES ACT 1948 and THE KARNATAKA MINIMUM WAGES RULES, 1958

THE EMPLOYEES STATE INSURANCE ACT 1948 and THE E.S.I. GENERAL REGULATIONS 1950

THE EQUAL REMUNERATION ACT, 1976 and THE EQUAL REMUNERATION RULES 1976

THE KARNATAKA LABOUR WELFARE FUND ACT 1965 and THE KARNATAKA LABOUR WELFARE FUND RULES 1968

THE PAYMENT OF BONUS ACT 1965, and RULES 1975

THE PAYMENT OF GRATUITY ACT 1972 and RULES 1973

THE PAYMENT OF WAGES ACT 1936 and RULES 1963

THE WORKMENS COMPENSATION ACT 1923 and RULES 1966

CONTRACT LABOUR (REGULATION & ABOLITION) ACT 1970 and RULES 1974

EMPLOYMENT EXCHANGES (COMPULSORY NOTIFICATION OF VACANCIES) 1959 and . RULES 1960

PROFESSIONAL TAX ACT 1975

INCOME TAX ACT 1961

INDIAN STAMPS ACT 1899

COPYRIGHT ACT

## Annexure - II

### FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

Sl.No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	*
(b)	Nature of contracts/arrangements/transactions	*
(c)	Duration of the contracts / arrangements/transactions	*
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	*
(e)	Justification for entering into such contracts or arrangements or transactions	*
(f)	Date(s) of approval by the Board	*
(g)	Amount paid as advances, if any:	*
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	*

\*Please refer to the notes forming part of financial statements for details.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sl.No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	NIL
(c)	Duration of the contracts / arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e)	Date(s) of approval by the Board, if any:	NIL
(f)	Amount paid as advances, if any:	NIL

**Annexure - III**  
**EXTRACT OF ANNUAL RETURN**  
**FORM MGT 9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management & Administration) Rules, 2014)

**Financial Year ended on 31.03.2016**

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	<b>L70101KA1983PLC005140</b>
2	Registration Date	25/01/1983
3	Name of the Company	<b>THAKRAL SERVICES (INDIA) LIMITED</b>
4	Category/Sub-category of the Company	Company having share capital
5	Address of the Registered office & contact details	8 <sup>th</sup> floor "THE ESTATE" No.121 Dickenson Road, Bengaluru – 560 042 Phone No: 080-25593891 Fax : 080 - 25595739
6	Whether listed company	Yes (Listed with BSE Limited)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	INTEGRATED ENTERPRISES (INDIA) LTD CIN NO: U65993TN1987PLC014964 No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bengaluru - 560003 Tel: +91-80-23460815-818   Fax: +91-80-23460819

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main Product/service	NIC Code of the products / services	% to total turnover of the company
1	Electronic Security comprising of CCTV, Access control, fire detection, alarms, Intrusion Alarms & Solar power solutions	80200	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Thakral Electronic Security Solutions Pvt. Ltd	8 <sup>th</sup> Floor "THE ESTATE" No.121 Dickenson Road Bengaluru-560 042	U72200KA2015PTC080949	Subsidiary	98%	2(87)(ii)



**IV.SHAREHOLDING PATTERN**
**a) (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	4029200	-	4029200	34.33	4029200	-	4029200	34.33	-	-
d) Bank/Fl	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>4029200</b>	<b>-</b>	<b>4029200</b>	<b>34.33</b>	<b>4029200</b>	<b>-</b>	<b>4029200</b>	<b>34.33</b>	<b>-</b>	<b>-</b>
<b>(2) Foreign</b>										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	4655000	-	4655000	39.67	4655000	-	4655000	39.67	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>4655000</b>	<b>-</b>	<b>4655000</b>	<b>39.67</b>	<b>4655000</b>	<b>-</b>	<b>4655000</b>	<b>39.67</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter</b>										
<b>(A)= (A)(1)+(A)(2)</b>	<b>8684200</b>	<b>-</b>	<b>8684200</b>	<b>74.00</b>	<b>8684200</b>	<b>-</b>	<b>8684200</b>	<b>74.00</b>	<b>-</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-	-
C) Central Govt.	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	1473476	2340	1475816	12.58	1470810	2140	1472950	12.55	-	-0.03
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	107083	354481	461564	3.93	110474	353806	464280	3.96	-	0.03
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs	0	40000	40000	0.34	0	40000	40000	0.34	-	-
c) Others (specify)										
NRI	1025000	48000	1073000	9.14	1025000	48000	1073000	9.14	-	-
Clearing Member	500	-	500	0.00	450	-	450	0.00	-	-
Trust	-	-	-	-	200	-	200	0.00	-	-
<b>SUB TOTAL (B)(2):</b>	<b>2606059</b>	<b>444821</b>	<b>3050880</b>	<b>26.00</b>	<b>2606934</b>	<b>443946</b>	<b>3050880</b>	<b>26.00</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2606059</b>	<b>444821</b>	<b>3050880</b>	<b>26.00</b>	<b>2606934</b>	<b>443946</b>	<b>3050880</b>	<b>26.00</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>11290259</b>	<b>444821</b>	<b>11735080</b>	<b>100.00</b>	<b>11291134</b>	<b>443946</b>	<b>11735080</b>	<b>100.00</b>		

**B) Shareholding of Promoter:**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	TIL INVESTMENTS PVT. LTD.	4029200	34.33	-	4029200	34.33	-	-
2	THAKRAL INVESTMENTS HOLDINGS (MAURITIUS) LIMITED	2200000	18.75	-	2200000	18.75	-	-
3	PARAMOUNT PARK LIMITED	2455000	20.92	-	2455000	20.92	-	-
	<b>Total</b>	<b>8684200</b>	<b>74.00</b>	<b>-</b>	<b>8684200</b>	<b>74.00</b>	<b>-</b>	<b>-</b>

**C) Change in Promoters' Shareholding (Specify, if there is no change)**

Sl. No	Shareholders Name	Shareholding at the beginning of the year 01.04.2015		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Shareholding during the year 31.3.2016		Reason
		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company	
1	TIL INVESTMENTS PVT. LTD.	4029200	34.33	01.04.2015	NO MOVEMENT DURING THE YEAR				
				31.03.2016			4029200	34.33	
2	THAKRAL INVESTMENTS HOLDINGS (MAURITIUS) LIMITED	2200000	18.75	01.04.2015	NO MOVEMENT DURING THE YEAR				
				31.03.2016			2200000	18.75	
3	PARAMOUNT PARK LIMITED	2455000	20.92	01.04.2015	NO MOVEMENT DURING THE YEAR				
				31.03.2016			2455000	20.92	

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	TRUST LEASING AND FINANCE PVT LTD	1464200	12.48	1464200	12.48
2	KANWALJEET SINGH DHILLON	1025000	8.73	1025000	8.73
3	MR V P PUNJ	40000	0.34	40000	0.34
4	DEVINDER KAUR	20000	0.17	20000	0.17
5	HITESH RAMJI JAVERI	8000	0.07	8000	0.07
6	HARMINDER KAUR	5000	0.04	5000	0.04
7	GURUNAM KAUR	5000	0.04	5000	0.04
8	AMRIT KAUR	5000	0.04	5000	0.04
9	H R SHIVA PRASAD	4500	0.04	4500	0.04
10	UPSURGE INVESTMENT AND FINANCE LIMITED	4150	0.04	4150	0.04

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2015		Date	Increase/Decrease in Share Holding	Reason	Cumulative Shareholding during the year 31.03.2016	
		No. of shares	% of total shares of the company				No of Shares	% of total shares of the company
1	TRUST LEASING AND FINANCE PVT LTD	1464200	12.48	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			1464200	12.48
2	KANWALJEET SINGH DHILLON	1025000	8.73	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			1025000	8.73
3	MR V P PUNJ	40000	0.34	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			40000	0.34
4	DEVINDER KAUR	20000	0.17	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			20000	0.17
5	HITESH RAMJI JAVERI	8000	0.07	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			8000	0.07
6	AMRIT KAUR	5000	0.04	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			5000	0.04
7	GURUNAM KAUR	5000	0.04	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			5000	0.04
8	HARMINDER KAUR	5000	0.04	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			5000	0.04
9	H R SHIVA PRASAD	4500	0.04	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			4500	0.04
10	UPSURGE INVESTMENT AND FINANCE LIMITED	4150	0.04	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			4150	0.04
11	HARSHA HITESH JAVERI	1500	0.01	01.04.2015	0	0	1500	0.01
				18.12.2015	4098	TRANSFER	5598	0.05
				31.03.2016			5598	0.05

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shareholding of Key Managerial Personnel				
1	<b>Mr.Ramesh Chandra Bhavuk</b> At the beginning of the year At the end of the year	10 10	0.0001 0.0001	10 10	0.0001 0.0001
2	<b>Mr.S Gopalakrishna</b> At the beginning of the year At the end of the year	NIL NIL	NIL NIL	NIL NIL	NIL NIL
3	<b>Mrs.Savita Bansal</b> At the beginning of the year At the end of the year	NIL NIL	NIL NIL	NIL NIL	NIL NIL

**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	793.32	425.41	-	1218.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>793.32</b>	<b>425.41</b>	<b>-</b>	<b>1218.73</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	16.30	-	16.30
* Reduction	150.05	-	-	150.05
<b>Net Change</b>	<b>150.05</b>	<b>16.30</b>	<b>-</b>	<b>133.75</b>
<b>Indebtedness at the end of the financial year</b>				
l) Principal Amount	643.27	441.71	-	1084.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>643.27</b>	<b>441.71</b>	<b>-</b>	<b>1084.98</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr.Ramesh Chandra Bhavuk (Managing Director)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.95	<b>7.95</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.49	<b>1.49</b>
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	<b>0.00</b>
2	Stock Option	0.00	<b>0.00</b>
3	Sweat Equity	0.00	<b>0.00</b>
4	Commission		
	- as % of profit	0.00	<b>0.00</b>
	- others, specify...	0.00	<b>0.00</b>
5	Others – Annual benefits	5.43	<b>5.43</b>
	<b>Total (A)</b>	<b>14.87</b>	<b>14.87</b>

**B. Remuneration to other directors**

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr.Joseph Sequeira	Mr.K R Vijayendra	Mr.Kanwaljeet Singh Bawa	Mr.C D P Rajendran	Mr.Bikramjit Singh Thakral	Mrs.Prasanna Panicker	
1	Independent Directors							
	Fee for attending board committee meetings	0.14	0.18	-	-	-	0.09	0.41
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.14</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>0.41</b>
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=-(1+2)</b>	<b>0.14</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>0.41</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. S Gopalakrishnan (CFO)	Ms.Pooja Jain (CS)*	Mrs.Savita Bansal (CS)*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.94	1.24	0.11	9.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00	0.00
	others, specify...	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>7.94</b>	<b>1.24</b>	<b>0.11</b>	<b>9.29</b>

\*Resigned wef 01.03.2016

\*\*Appointed wef 01.03.2016

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**  
**[Pursuant to Regulation 34(2) (e) of Securities Exchange Board of India**  
**(Listing Obligation and Disclosure Requirements) Regulations, 2015]**

**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 organisation 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 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, and 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.3.52 Crores. The Company's performance during the last year resulted in a loss of Rs.346.08 lakhs after depreciation and provisions.

**6. Human Resource Management:**

The organization 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.

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## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Thakral Services (India) Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Thakral Services (India) Limited ('the Company'), which comprise the balance sheet as at March 31 2016, the statement of profit and loss and the 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**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, of its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 41 in the financial statements which discloses the premise upon which the Company has prepared its financial statements by applying the going concern assumption, notwithstanding fact that the Company has accumulated losses of Rs.1,81,41,293 as at March 31, 2016, which is exceeding 50% of the net-worth of the Company and the Company has also incurred cash loss during the year amounting to Rs. 26,787,053. Further there are significant trade receivables amounting to Rs. 66,720,336 outstanding for a period of more than six months. Based on the reasons fully explained in the aforesaid note, the management is of the view that the operations of the company will increase significantly in the subsequent years that will lead to improved cash flows and long term sustainability and the company is able to recover the trade receivables. Accordingly, these financial statements have been prepared on the basis of going concern.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts required be transferred to the Investor Education and Protection Fund by the Company.

**For Brahmayya & Co.,**  
Chartered Accountants  
ICAI Firm registration no:000515S  
Sd/-  
**G. Srinivas**  
Partner  
Membership number: 086761

Place: Bengaluru  
Date: 30th May 2016.

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### Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2016 we report that:

**(I) In respect of the company's Fixed Assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
  - (b) The Management has not conducted any physical verification of fixed assets during the year. However, the Company has the program of physical verification of fixed assets at reasonable intervals of time and to deal with material discrepancies identified on such verification.
  - (c) On the basis of our examination of the records of the Company, there are no immovable properties are held in the name of the Company, accordingly clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- (ii) The company has conducted physical verification of Inventories at reasonable intervals and material discrepancies noticed have been properly dealt in the books of account.
  - (iii) The Company has not granted any loans, secured or unsecured, to any company, firm, to any Limited Liability Partnership Firm or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses (iii) (a) to (iii) (c) of paragraph 3(iii) of the Order is not applicable to the Company.
  - (iv) Based on our examination and according to the information and explanation given to us, there are no loans, investments, guarantees, and security given by the company that have been covered u/s 185 and 186 of the Companies Act, 2013. Accordingly, clause (iv) of paragraph 3 of the order is not applicable to the Company.

- (v) The Company has not accepted any deposits from the public. Accordingly, clause (v) of paragraph 3 of the order is not applicable to the company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product and services rendered by the Company.
- (vii)
- 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 not regular in depositing with appropriate authorities the undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it. There are no undisputed arrears of outstanding statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable except an amount of Rs. 436,104/- to Employee Provident Fund.
  - b) According to the information and explanations given to us, details of dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess which have not been deposited on account of dispute as on March 31, 2016 are as follows:

Name of the Statute	Nature of Dues	Amount involved (in Rs.)	Period for which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Long Term Capital Loss	1,15,75,506	F.Y 2008-09	Commissioner of Income Tax Appeals(III)
Income Tax Act, 1961	Warranty provision, Reimbursement of expenses etc.,	2,64,528/-	F.Y 2008-09	Commissioner of Income Tax Appeals(III)
Income Tax Act, 1961	Penalty levied for delayed payment	5,99,166/-	F.Y 2011-12	Commissioner of Income Tax Appeals(III)
Income Tax Act, 1961	Provision for warranty	411,279/-	F.Y 2012-13	Commissioner of Income Tax Appeals(III)
Tamil Nadu Value Added Tax Act,,2006	Disallowance of Input Tax Credit	5,12,625/-*	F.Y 2011-12	Appellate Deputy Commissioner of Commercial Taxes
West Bengal Value Added Tax Act, 2003.	VAT Dues	7,17,810/-**	F.Y 2010-11	Joint Commissioner of Commercial Taxes
Central Sales Tax (West Bengal) Rules	CST Dues	1,81,478/-***	F.Y 2009-10	Joint Commissioner of Commercial Taxes

\*Amount Includes penalty of Rs.1,70,875/- The Company has deposited Rs. 85,438 under protest.

\*\* Amount Includes penalty of Rs. 14,044 /-. The company has deposited Rs. 30,068 under protest.

\*\*\* Amount Includes penalty of Rs.1,57,985/-



- (viii) According to the information and explanations given to us, the Company has no outstanding loan during the year. Accordingly, clause (viii) of Paragraph 3 of the Order is not applicable
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of paragraph of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, clause 3(x) of paragraph of the Order is not applicable.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of paragraph of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Brahmaya & Co.,**  
Chartered Accountants  
ICAI Firm registration no:000515S

sd/-  
**G. Srinivas**  
Partner  
Membership number: 086761

Place: Bengaluru  
Date: 30th May 2016.

## **“Annexure – B” to the Independent Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Thakral Services (India) Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion on adequacy and operating effectiveness of internal financial controls over financial reporting**

According to the information and explanation given to us and based on our audit, the following material weaknesses has been identified as at 31 March 2016:

- a) The Company does not have an appropriate internal control system for obtaining periodical balance confirmation and reconciliation of balances, aging of receivables which may result in incorrect reporting of receivables and gaining and accrual of provision for doubtful receivables;
- b) The Company does not have an appropriate internal control system for obtaining confirmation of stock lying with the customers, recording of issues of inventory for installations which may impact valuation of inventory;

A 'Material Weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the materials weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2016 financial statements of the company and these material weaknesses do not affect our opinion on the financial statements of the company.

**For Brahmayya & Co.,**  
Chartered Accountants  
ICAI Firm registration no:000515S

Sd/-  
**G. Srinivas**  
Partner  
Membership number: 086761

Place: Bengaluru  
Date: 30th May 2016.

**THAKRAL SERVICES (INDIA) LIMITED**
**CIN - L70101KA1983PLC005140**
**Balance Sheet as at March 31, 2016**
**(Amount in Rupees)**

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	35,205,240	35,205,240
(b) Reserves and Surplus	4	(18,141,293)	16,466,764
		<b>17,063,947</b>	<b>51,672,004</b>
<b>(2) Non - Current Liabilities</b>			
(a) Long Term Borrowings	5	43,230,060	42,541,317
(b) Long Term Provisions	6	2,892,325	3,573,254
		<b>46,122,385</b>	<b>46,114,571</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	64,327,184	79,331,655
(b) Trade Payables	8	29,344,822	47,206,484
(c) Other Current Liabilities	9	44,171,830	42,051,205
(d) Short Term Provisions	10	9,125,706	7,230,992
		<b>146,969,543</b>	<b>175,820,336</b>
<b>Total</b>		<b>210,155,875</b>	<b>273,606,911</b>
<b>II. Assets</b>			
<b>(1) Non - Current Assets</b>			
(a) Fixed Assets - Tangible assets	11	10,599,818	12,960,155
(b) Non - Current Investments	12	254,410	156,410
(c) Deferred Tax Assets (Net)	13	-	2,999,105
(d) Long Term Loans and Advances	14	6,035,551	9,485,484
(e) Other Non Current Assets	15	2,248,313	2,215,757
		<b>19,138,092</b>	<b>27,816,911</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	14,126,224	18,112,575
(b) Trade Receivables	17	134,151,163	184,279,766
(c) Cash and Bank Balances	18	1,258,775	1,791,587
(d) Short Term Loans and Advances	19	34,036,065	31,827,697
(e) Other Current Assets	20	7,445,557	9,778,375
		<b>191,017,783</b>	<b>245,790,000</b>
<b>Total</b>		<b>210,155,875</b>	<b>273,606,911</b>
<b>Summary of Significant Accounting Policies</b>		<b>2</b>	

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

Sd/-  
**G. Srinivas**  
Partner  
Membership No: 086761

Place : Bengaluru  
Date : May 30, 2016

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

Sd/-  
**R C Bhavuk**  
DIN:00203636  
Managing Director  
Sd/-  
**Savita Bansal**  
Company Secretary  
M.No. 40662

Sd/-  
**K S Bawa**  
DIN:00234162  
Director  
Sd/-  
**S Gopalakrishnan**  
Chief Financial Officer



**THAKRAL SERVICES (INDIA) LIMITED**
**CIN - L70101KA1983PLC005140**
**Statement of Profit and Loss for the year ended March 31, 2016**

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I.Revenue from Operations	21	183,068,763	293,315,469
II.Other Income	22	1,028,854	2,163,534
<b>III.Total Revenue (I+II)</b>		<b>184,097,617</b>	<b>295,479,003</b>
<b>IV.Expenses</b>			
a) Purchase of Stock in Trade	23	93,151,385	176,575,098
b) Changes in Inventories of Stock in Trade	24	3,986,354	(1,739,094)
c) Employee Benefits Expense	25	51,617,427	68,110,635
d) Finance Costs	26	8,738,321	9,733,154
e) Depreciation and Amortization Expense	27	4,616,153	5,661,631
f) Other Expenses	28	53,596,930	73,667,658
<b>Total Expenses</b>		<b>215,706,570</b>	<b>332,009,082</b>
<b>V.Profit Before Tax (III-IV)</b>		<b>(31,608,953)</b>	<b>(36,530,079)</b>
<b>VI.Tax expense</b>			
a) Current tax		0	0
b) Deferred tax Assets /(Liability)		(2,999,105)	2,675,676
		<b>(2,999,105)</b>	<b>2,675,676</b>
<b>VII.Profit/(Loss) for the period (V-VI)</b>		<b>(34,608,058)</b>	<b>(33,854,403)</b>
<b>VIII.Earning per equity share:</b>	29		
a) Basic		(2.95)	(2.88)
b) Diluted		(2.95)	(2.88)
<b>Summary of significant accounting policies</b>	<b>2</b>		

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For Brahmaya & Co.,**  
Chartered Accountants  
Firm Registration No. : 0005155

Sd/-  
**G. Srinivas**  
Partner  
Membership No: 086761

Place : Bengaluru  
Date : May 30, 2016

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

Sd/-  
**R C Bhavuk**  
DIN:00203636  
Managing Director  
Sd/-  
**Savita Bansal**  
Company Secretary  
M.No. 40662

Sd/-  
**K S Bawa**  
DIN:00234162  
Director  
Sd/-  
**S Gopalakrishnan**  
Chief Financial Officer

**THAKRAL SERVICES (INDIA) LIMITED**

CIN - L70101KA1983PLC005140

**Cash flow statement for the year ended March 31, 2016**

(Amount in Rupees)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>I. Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>(31,608,953)</b>	<b>(36,530,079)</b>
Depreciation	4,616,153	5,661,631
Bad Debts	556,736	42,452
Interest Income	(337,227)	(241,808)
Income From Investments	-	-
Written Off Of Fixed Assets	273,805	-
Sundry Credit Balance And Provision Written Back	(624,794)	(1,161,926)
Foreign Exchange Loss	-	-
Interest Expenses	8,738,321	9,733,154
<b>Operating Profit Before Working Capital Changes</b>	<b>(18,385,958)</b>	<b>22,496,576)</b>
Movements In Working Capital :		
Increase/ (Decrease) In Trade Payables	(17,857,955)	1,585,022
Increase/ (Decrease) In Other Current Liabilities	2,120,625	4,474,618
Decrease / (Increase) In Trade Receivables	49,571,867	17,102,304
Decrease / (Increase) In Inventories	3,986,351	(1,739,094)
Decrease / (Increase) In Other Current Assets	2,332,818	3,798,635
Decrease / (Increase) In Other Non Current Assets	-	-
Decrease / (Increase) Long Term Loans And Advances	3,449,933	468,340
Decrease / (Increase) Short Term Loans And Advances	(1,220,725)	654,151
Increase / (Decrease) In Long Term Provisions	(680,929)	309,323
Increase / (Decrease) In Short-Term Provisions	2,515,801	(2,383,735)
<b>Cash Generated From / (Used In) Operations</b>	<b>25,831,830</b>	<b>1,772,988</b>
Direct Taxes Paid (Net of Refunds)	(987,643)	(2,965,487)
<b>Net Cash Flow From/ (Used In) Operating Activities</b>	<b>24,844,186</b>	<b>(1,192,499)</b>
<b>II. Cash Flows From Investing Activities</b>		
Purchase Of Fixed Assets	(2,639,229)	(1,152,486)
Proceeds From Sale Of Fixed Assets	109,608	2,559,527
Investment In Companies	(98,000)	-
Investment In Bank Guarantee Deposits	(32,556)	(266,404)
Interest Received	337,227	241,808
Income From Investment	-	-
<b>Net Cash Flow from/ (used in) Investing Activities</b>	<b>(2,322,950)</b>	<b>1,382,445</b>
<b>III. Cash Flows from Financing Activities</b>		
Proceeds From Long-Term Borrowings	-	-
Proceeds From Share Capital	-	-
Repayment Of Long-Term Borrowings	688,743	(5,304,165)
Proceeds From Short-Term Borrowings	(15,004,471)	6,011,965
Repayment Of Short-Term Borrowings	-	-
Interest Paid	(8,738,321)	(9,733,154)
<b>Net Cash Flow from/ (used In) in Financing Activities (Iii)</b>	<b>(23,054,049)</b>	<b>(9,025,354)</b>

**THAKRAL SERVICES (INDIA) LIMITED**
**CIN - L70101KA1983PLC005140**
**Cash flow statement for the year ended March 31, 2016**

(Amount in Rupees)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Net Increase/(Decrease) In Cash And Cash Equivalents (I+II+III)	(532,813)	(8,835,408)
Cash and Cash Equivalents at the Beginning of the Year	1,791,587	10,626,995
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,258,774</b>	<b>1,791,587</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	389,843	158,856
Cheques on Hand	-	-
With Banks		
- On Current Account	868,932	1,632,731
- On Deposit Account	-	-
<b>Total Cash And Cash Equivalents</b>	<b>1,258,775</b>	<b>1,791,587</b>

**Notes:**

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2016 and the related Statement of Profit and Loss for the year ended on that date.
2. The above Cash Flow Statement has been prepared under indirect method in accordance with Accounting Standard (AS)- 3 on Cash Flow Statement as notified U/S 133 of the Companies Act, 2013.
3. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

The accompanying notes are integral part of the financial statements.

**As per our report of even date**

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

Sd/-

**G. Srinivas**

Partner

Membership No: 086761

Place : Bengaluru

Date : May 30, 2016

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

Sd/-

**R C Bhavuk**

DIN:00203636

Managing Director

Sd/-

**Savita Bansal**

Company Secretary

M.No. 40662

Sd/-

**K S Bawa**

DIN:00234162

Director

Sd/-

**S Gopalakrishnan**

Chief Financial Officer

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

### **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 18<sup>th</sup> 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 16<sup>th</sup> November, 1994. During the year 2011-12 the company has extended its operations in the field of Photo Voltaic Modules and presently engaged in CCTV Sales.

### **2. Statement of Significant Accounting Policies:**

#### **a. Basis of Preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian – GAAP). The Company has prepared these financial statements complying with all the material aspects of accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### **Use of Estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment etc. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognised in the period in which the results are known/materialize.

#### **b. Tangible Fixed Assets**

Tangible fixed assets are stated at cost net of cenvatcredit, other duty drawbacks, accumulated depreciation and impairment losses, if any. The Cost comprises purchase price, borrowing cost directly attributable to the acquisition of a qualifying asset. 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.

#### **c. Intangible Fixed 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.

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

### **d. Depreciation on Tangible Fixed Assets**

Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the Management, which coincide with the lives prescribed under Schedule II to the Companies Act, 2013. The Company has used the following useful lives to provide depreciation on its fixed assets.

Particulars	Useful Life( Years)	Schedule of CA 2013
Office Equipment	5.00	5.00
Computers	3.00	3.00
Furniture & Fixtures	10.00	10.00
Vehicle	8.00	8.00
Rental Stock	5.00	5.00

### **e. Amortization of Intangible Fixed 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 as notified by Ministry of Corporate affairs.

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

### **f. Borrowing Costs**

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

### **g. Impairment of Assets**

At each Balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit & Loss account to the extent the carrying amount exceeds the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### **h. 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

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.

**i. Inventories**

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

**j. Foreign exchange transaction**

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

**Non-monetary items:**

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate prevailing 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 prevailing as on the date when the values were determined.

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

**k. Revenue / Expenditure recognition**

Sale 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 on acceptance of the installation by the customer 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.

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

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

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

**l. 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.

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

### **ii. Defined Benefit Plan**

Gratuity for employees as at the Balance Sheet date is provided based on the actuarial valuation, using Projected Unit Credit Method, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions are recognised immediately in the Statement of Profit and Loss Account as income or expense.

### **iii. Other Long term employee benefits**

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

### **iv. Short term employee benefits**

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

### **m. Accounting for 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 Determined in accordance with the provisions of Income Tax Act,1961.

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

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

### **n. Provisions**

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****o. Leases****Where the Company is lessee:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is lessor:**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given under operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

**p. Warranty**

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

**q. Earnings per share**

The basic earnings 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 per share, are computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

**r. Contingent Liability**

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

**s. Cash and Cash Equivalent**

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



## Notes forming part of the Financial statements

### 3. Share capital

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Authorised Shares Capital</b> 4,33,40,000 equity shares of Rs. 3 each	130,020,000	130,020,000
<b>Issued, Subscribed and Fully Paid-up Shares</b> 1,17,35,080 equity shares of Rs.3 each fully paid up	35,205,240	35,205,240
<b>Total Issued, Subscribed and Fully Paid-up Share capital</b>	<b>35,205,240</b>	<b>35,205,240</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
At the beginning of the period	11,735,080	35,205,240	11,735,080	35,205,240
<b>Outstanding at the end of the period</b>	<b>11,735,080</b>	<b>35,205,240</b>	<b>11,735,080</b>	<b>35,205,240</b>

#### 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 share holders holding more than 5% shares in the company .

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	% holding	Number	% holding
Equity shares of Rs. 3 (As on 31st March 2016 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 Pvt., Ltd	1,464,200	12.48%	1,464,200	12.48%
Kanwaljeet Singh Dhillon	1,025,000	8.73%	1,025,000	8.73%
<b>Total</b>	<b>11,173,400</b>	<b>95.21%</b>	<b>11,173,400</b>	<b>95.21%</b>

As per records of the company, including its register of share holders/members, the above share holding represents legal ownership of shares as at balance sheet date.

## Notes forming part of the Financial statements

### 4. Reserves and surplus

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Capital Reserves</b>		
Opening Balance	999,918	999,918
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>999,918</b>	<b>999,918</b>
<b>b) Surplus/ (deficit) in the statement of profit and loss</b>		
Opening balance	15,466,846	50,107,618
Less : Adjustment on account of Assets whose life has been expired as on 1.4.2014	-	(786,369)
Net Profit/(Net Loss) For the current year	(34,608,058)	(33,854,403)
Current Year Transfer	-	-
<b>Closing Balance</b>	<b>(19,141,211)</b>	<b>15,466,846</b>
<b>Total Reserves and Surplus</b>	<b>(18,141,293)</b>	<b>16,466,764</b>

### 5. Long-term borrowings

<b>Loans and Advances from related parties</b>		
Loans from associate enterprises	43,230,060	42,541,317
<b>Total Long Term Borrowings</b>	<b>43,230,060</b>	<b>42,541,317</b>
<b>The above amount includes</b>		
Unsecured Borrowings	43,230,060	42,541,317
	<b>43,230,060</b>	<b>42,541,317</b>

### Terms of Repayments

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

<b>Provision for employee benefits</b>		
Provision for Gratuity	2,057,380	2,577,372
Provision for Leave benefits	549,345	710,282
Provision for Superannuation	285,600	285,600
<b>Total Long Term Provisions</b>	<b>2,892,325</b>	<b>3,573,254</b>

## Notes forming part of the Financial statements

### 7. Short-term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Short Term Loans</b>		
from banks		
i) Working capital demand loan	-	70,000,000
ii) Cash credit	64,327,184	9,331,655
<b>Total</b>	<b>64,327,184</b>	<b>79,331,655</b>
<b>The above amount includes</b>		
Secured borrowings	64,327,184	79,331,655
	<b>64,327,184</b>	<b>79,331,655</b>

Working capital Demand Loan and Cash Credit availed from Yes Bank ,Bangalore Secured by way of hypothecation of the stocks and books debts ,Equitable Mortgage of Commercial property bearing Khata no: 48/24, PID No: 81-6-48/24 situated in the eight floor, ( Rear Block) of the building known as the "ESTATE" No.48,Dickenson Road, Bangalore 560042, standing in the name of Thakral Computers Private Limited.

### 8. Trade payable

Trade Payable		
- Due to MSMED	-	-
- Due to Others	29,344,822	47,206,484
<b>Total</b>	<b>29,344,822</b>	<b>47,206,484</b>

### 9. Other current liabilities

Income received in advance	1,511,805	941,442
Advance received from Customers	6,926,507	5,245,156
TDS Payable	299,247	436,315
CST Payable	626,129	1,173,211
Other Statutory Liability	22,065,955	21,061,742
Service Tax Payable	683,552	437,889
VAT Payable	1,052,317	1,370,020
Current portion of Vehicle Loan	-	-
Salary payable	5,033,693	4,180,527
Audit Fees Payable	457,199	454,496
Others	5,515,425	6,750,407
<b>Total</b>	<b>44,171,830</b>	<b>42,051,205</b>

### 10. Short Term Provisions

<b>Provision for Employee Benefits</b>		
Provision for Gratuity	816,759	447,432
Provision for Leave benefits	476,151	479,931
	<b>1,292,910</b>	<b>927,363</b>
<b>Other provision</b>		
Provision for FBT	36,080	-
Provision for Warranty	7,172,974	5,905,328
Provision Pending Installation	623,742	398,301
	<b>7,832,796</b>	<b>6,303,629</b>
<b>Total</b>	<b>9,125,706</b>	<b>7,230,992</b>

## Notes forming part of the Financial statements

### 11. FIXED ASSETS - Tangible Assets

(Amount in Rupees)

Description of Assets	Gross Block			Depreciation				Net block		
	As at March 31, 2015	Additions	Deductions	As at March 31, 2016	For the Period	Deletion	Adjusted to P&L Account	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Office Equipment	6,772,197	1,15,994	25,500	6,862,691	896,382	5,566	386,781	6,257,831	604,861	1,791,964
Furniture & Fixtures	6,975,186	620,964	-	7,596,150	933,396	-	(23,570)	3,375,305	4,220,844	4,509,706
Rental Stock	16,301,320	1,902,271	84,108	18,119,483	2,786,375	83,840	-	12,752,191	5,367,292	6,251,664
Plant & Machinery	417,053	-	-	417,053	-	-	-	10,232	406,821	406,821
<b>Total</b>	<b>30,465,756</b>	<b>2,639,229</b>	<b>109,608</b>	<b>32,995,377</b>	<b>4,616,153</b>	<b>89,406</b>	<b>363,211</b>	<b>22,395,559</b>	<b>10,599,818</b>	<b>12,960,155</b>
<b>Previous Year</b>	<b>32,295,957</b>	<b>1,152,486</b>	<b>2,982,687</b>	<b>11,480,760</b>	<b>5,661,631</b>	<b>423,160</b>	<b>786,369</b>	<b>17,505,601</b>	<b>12,960,155</b>	<b>20,815,198</b>

## Notes forming part of the Financial statements

### 12. Non-Current Investment

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Non Trade -Quoted</b>		
<b>Investment in Equity Instruments</b>		
Share in M/s Jaiprakash Associates Ltd (15,750 Equity share of 2 each) Market Value Rs. 1,20,330/- As on 31, st March 2016.	156,410	156,410
<b>Non Trade -Unquoted</b>		
Share in M/s Thakral Electronic Security Solution Pvt Ltd (9800 shares of Rs. 10 each) Market Value -Not applicable - As on 31, st March 2016.	98,000	-
<b>Total</b>	<b>254,410</b>	<b>156,410</b>

### 13. Deferred tax Assets (net)

<b>Deferred tax liabilities</b>		
Difference in depreciation as per tax books and financial books	(699,606)	(847,575)
<b>(A)</b>	<b>(699,606)</b>	<b>(847,575)</b>
<b>Deferred tax assets</b>		
Provision for Gratuity/Leave Encashment/Warranty etc.	(699,606)	3,846,680
<b>(B)</b>	<b>(699,606)</b>	<b>3,846,680</b>
<b>Net deferred tax Assets (A) - (B)</b>	<b>-</b>	<b>2,999,105</b>

### 14. Long Term Loans and advances

<b>Security deposit</b>		
Unsecured, considered good	6,035,551	9,485,484
<b>Total</b>	<b>6,035,551</b>	<b>9,485,484</b>

### 15. Other Non Current Assets

<b>Others</b>		
Margin money on Bank Guarantees with Original Maturity more than 12 months	2,248,313	2,215,757
<b>Total</b>	<b>2,248,313</b>	<b>2,215,757</b>

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

Stock in trade	14,126,224	18,112,575
<b>Total</b>	<b>14,126,224</b>	<b>18,112,575</b>

## Notes forming part of the Financial statements

### 17. Trade Receivable

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Outstanding for a period exceeding six months from the date they become due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	66,720,336	93,931,997
Unsecured, considered, doubtful	12,078	12,078
	<b>66,732,414</b>	<b>93,944,075</b>
Provision for doubtful trade receivables	(12,078)	(12,078)
<b>(A)</b>	<b>66,720,336</b>	<b>93,931,997</b>
<b>Outstanding for a period Less than six months from the date they become due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	67,430,827	90,347,769
	<b>67,430,827</b>	<b>90,347,769</b>
Provision for doubtful trade receivables	-	-
<b>(B)</b>	<b>67,430,827</b>	<b>90,347,769</b>
<b>Total (A+B)</b>	<b>134,151,163</b>	<b>184,279,766</b>

### 18. Cash and Other Bank Balances

<b>I. Cash and Cash Equivalent</b>		
Cash on hand	389,843	158,856
Balances with banks:		
– On current accounts	868,932	1,632,731
	<b>1,258,775</b>	<b>1,791,587</b>
<b>Bank Balances</b>		
<b>Amount Disclosed under Non Current Assets</b>		
– Margin Money on Bank Guarantees with Original Maturity more than 12 months	2,248,313	2,215,757

## Notes forming part of the Financial statements

### 19. Short Term Loans and Advances

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Service Tax Receivable	889,946	519,558
Input VAT Receivable	268,386	6,748
CST Receivable	5,176	-
Works contract tax receivable	645,434	812,076
Advance income-tax	19,052,875	18,065,232
Advance FBT	-	-
Advances to employee for salary and expenses	1,924,343	1,713,796
Advances against purchases	7,092,159	6,014,230
Prepaid expenses	29,552	193,672
Earnest money deposits with Customers	3,964,421	4,345,096
Other loans and advances	163,774	157,289
<b>Total</b>	<b>34,036,065</b>	<b>31,827,697</b>

### 20. Other current assets

Interest accrued but not received	48,116	21,125
Retention money given to Customers	7,397,441	9,757,250
<b>Total</b>	<b>7,445,557</b>	<b>9,778,375</b>

### 21. Revenue from Operations

Particulars	For the year ended march 31st, 2016	For the year ended march 31st, 2015
<b>Revenue from Operations</b>		
<b>Sale of Goods</b>		
Domestic sales	130,697,861	237,818,768
Export sales	4,674,452	5,904,850
<b>Sale of Services</b>		
Service and Installation charges received	9,285,033	10,980,342
Rental Receipt on Stocks and AMC Income	38,411,417	38,611,509
<b>Total</b>	<b>183,068,763</b>	<b>293,315,469</b>

### 22. Other Income

Exchange Fluctuation Gain ( Net)	-	511,801
Interest income	337,227	241,808
Excess provisions for earlier year written back	621,087	1,100,893
Sundry Credit Balances written back	3,707	61,033
Miscellaneous income	66,834	247,999
<b>Total</b>	<b>1,028,854</b>	<b>2,163,534</b>

## Notes forming part of the Financial statements

### 23. Purchases of Stock in trade

(Amount in Rupees)

Particulars	For the year ended march 31st, 2016	For the year ended march 31st, 2015
Stand alone DVR	15,287,814	36,367,604
<b>Cameras</b>		
Dome Cameras	10,791,710	23,930,418
C Mount Cameras	795,419	824,926
Cameras-Others	10,389,579	17,936,438
DVR Card	29,000	-
Lens	102,761	544,019
Cameras and Accessories	2,551,642	4,712,221
Cable Accessories	28,774,552	46,047,704
Other Parts	24,428,908	46,211,768
<b>Total</b>	<b>93,151,385</b>	<b>176,575,098</b>

### 24. (Increase)/ decrease in inventories

Inventories at the end of the year	14,126,224	18,112,575
Inventories at the beginning of the year	18,112,577	16,373,481
<b>(Increase)/ decrease in inventories</b>	<b>3,986,354</b>	<b>(1,739,094)</b>

### 25. Employee benefit expense

Salaries, wages and bonus	43,920,262	59,187,797
Contribution to Provident Fund and ESI	3,725,067	4,104,477
Gratuity expenses	304,285	600,927
Staff welfare expenses	3,667,813	4,217,434
<b>Total</b>	<b>51,617,427</b>	<b>68,110,635</b>

### 26. Finance costs

Interest	8,738,321	9,733,154
<b>Total</b>	<b>8,738,321</b>	<b>9,733,154</b>

### 27. Depreciation and amortization expense

Depreciation of tangible assets	4,616,153	5,661,631
<b>Total</b>	<b>4,616,153</b>	<b>5,661,631</b>



## Notes forming part of the Financial statements

### 28. Other Expenses

(Amount in Rupees)

Particulars	For the year ended march 31st, 2016	For the year ended march 31st, 2015
Cabling and Installation charges	13,048,056	19,781,153
Carriage and Freight Inward	830,406	3,371,850
Commission and Brokerage	11,685	-
Training and Seminar Expenses	2,791,600	2,650,000
Packing Material	216,537	299,311
Insurance	327,108	181,904
Rental Expenses	7,504,115	11,652,114
Rates and Taxes	205,888	654,031
Printing and Stationery	855,294	1,084,236
Software Expenses	867,333	1,013,572
Communication Expenses	3,038,181	3,712,993
Electricity Charges	1,447,098	1,672,965
Repairs and Maintenance	562,735	613,824
Travelling and Conveyance	8,011,051	12,702,846
Legal and Consultancy	692,620	1,552,964
Security Service Charges	556,922	230,284
Bank Charges	760,497	1,591,022
Carriage and Freight Outward	3,418,537	2,830,811
Sales Promotion Expenses	3,028,619	3,825,090
Miscellaneous expenses	4,420,696	3,736,993
Payment to Auditors		
For Audit	400,000	400,000
For Expenses	33,067	109,695
Provision for impairment	36,080	-
Written off of asset	273,805	-
Exchange Fluctuation loss	259,000	-
<b>Total</b>	<b>53,596,930</b>	<b>73,667,658</b>

### 29. Earning per share (EPS)

<b>Total operations for the year</b>		
<b>Net (loss) after Tax for calculation of Basic EPS and Diluted EPS</b>	<b>(34,608,058)</b>	<b>(33,854,403)</b>
Weighted average number of equity shares in calculating basic EPS	11,735,080	11,735,080
Face Value per Share	3	3
<b>Effects of dilution:</b>		
Allotment of share from share application money received	NIL	NIL
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>11,735,080</b>	<b>11,735,080</b>
<b>Basic EPS</b>	<b>(2.95)</b>	<b>(2.88)</b>
<b>Diluted EPS</b>	<b>(2.95)</b>	<b>(2.88)</b>

## Notes forming part of the Financial statements for the year ended March 31, 2016

### 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, 2016. Further no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

### 31. Particulars of Stock

#### i. Purchases

(Amount in Rupees)

Class of Goods	For the year ending March 31, 2016		For the year ending March 31, 2015	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Standalone DVR	2684	1,52,87,814	6113	3,63,67,604
<u>Cameras</u>				
a) Dome Cameras	6730	1,07,91,710	13692	2,39,30,418
b) C-Mount Cameras	133	7,95,419	561	8,24,926
c) Cameras- Others	3357	1,03,89,579	8720	1,79,36,438
DVR Cards	4	29,000		
Lens	111	1,02,761	551	5,44,019
Camera Accessories	14042	25,51,642	18218	47,12,221
Cable Accessories	491136	28774552	1123289	4,60,47,704
Other Parts	38185	2,44,28,908	39370	4,62,11,768
<b>Total</b>		<b>9,31,51,384</b>		<b>17,65,75,098</b>

#### ii. Sales

Class of Goods	For the year ending March 31, 2016		For the year ending March 31, 2015	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Standalone DVR	6161	3,64,81,619	4807	6,35,20,685
<u>Cameras</u>				
a) Dome Cameras	7133	1,45,18,309	14220	3,53,81,102
b) C-Mount Cameras	276	7,86,377	542	13,69,483
c) Cameras	4300	1,32,26,475	8032	2,41,70,156
DVR Cards	8	1,26,380		
Lens	77	7,844	656	4,68,646
Camera Accessories	10068	20,85,015	17664	68,86,402
Cable Accessories	531605	3,19,50,849	1144880	5,30,28,618
Other Parts	13767	3,61,89,446	40643	5,88,98,526
<b>Total</b>		<b>13,53,72,314</b>		<b>24,37,23,618</b>

## Notes forming part of the Financial statements for the year ended March 31, 2016

### iii. Closing Stock

(Amount in Rupees)

Class of Goods	For the year ending March 31, 2016		For the year ending March 31, 2015	
	Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
Standalone DVR Cameras	549	18,18,066	4026	25,52,231
a) Dome Cameras	5650	12,74,906	6053	17,88,433
b) C-Mount Cameras	267	2,74,424	410	2,41,783
c) Cameras	1318	19,38,756	2261	32,59,751
DVR Cards	2	27,153	6	80,456
Lens	81	19,054	47	11,340
Camera Accessories	7630	9,87,608	3656	8,18,538
Cable Accessories	49051	38,01,503	89520	53,75,852
Other Parts	30492	39,84,753	6074	39,84,191
<b>Total</b>		<b>1,41,26,223</b>		<b>1,81,12,575</b>

### 32. 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. Ramesh Chandra Bhavuk	Managing Director
C. Relative of Key Management Personnel: Mrs Beena Sharma	Wife of Mr. Ramesh Chandra Bhavuk

## Notes forming part of the Financial statements for the year ended March 31, 2016

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

Sl. No.	Related Party Transactions	April 1st 2015 to March 31, 2016 (Rs.)	April 1st 2014 to March 31, 2015 (Rs.)
1	Remuneration:Key Management Personnel R.C. Bhavuk	14,87,167	14,87,167
2	Rent Payment Thakral One Solutions Pvt Ltd	18,37,440	75,25,997

### c) Summary of the Related Party Transaction: (Others)

Sl. No.	Related Party Transactions	April 1st 2015 to March 31, 2016 (Rs.)	April 1st 2014 to March 31, 2015 (Rs.)
1	Corporate GuaranteeFuture World Retail Pvt Ltd	1,00,00,000	1,00,00,000

### 33. Value of Imports on CIF Basis

Sl. No.	Particulars	For the Year ending March 31, 2016 (Rs.)	For the Year ending March 31, 2015 (Rs.)
1.	Components & Spares	65,22,308	1,62,01,724
	<b>Total</b>	<b>65,22,308</b>	<b>1,62,01,724</b>

### 34. Expenditure in Foreign Currency

1.	Travelling expenditure	-	1,37,405
	<b>Total</b>	---	<b>1,37,405</b>

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

Sl. No.	Related Party Transactions	April 1st 2015 to March 31, 2016 (Rs.)	April 1st 2014 to March 31, 2015 (Rs.)
<b>1</b>	<b>Advances Given/(taken)</b> Future World (India) Pvt Ltd	2,14,68,831	2,13,24,175
<b>2</b>	<b>Rental Deposit</b> Thakral One Solutions Pvt Ltd	15,31,200	37,81,200
<b>3</b>	Unsecured loans availed/(repaid) during the year from companies where directors have significant influence*	6,88,743	(41,31,606)
<b>4</b>	Closing balance of unsecured loans from companies where directors have significant influence	4,32,30,060	4,25,41,317

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

## Notes forming part of the Financial statements for the year ended March 31, 2016

### 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	1,77,54,176	1,77,54,176	1,76,96,500
Thakral Computers Pvt Ltd	86,34,338	86,34,338	84,15,768
Raminder Singh	23,00,931	23,00,931	23,00,931
Westminster Developments Pvt Ltd	48,13,192	48,13,192	48,13,192
Normandy Developments Pvt Ltd	2,72,299	2,72,299	2,72,299
Glade Trading Co. Pvt Ltd	12,87,818	12,87,818	12,87,818
Minnow Trading Co. Pvt Ltd	5,30,013	15,30,013	14,93,552
Inderbethal Singh Thakral	36,30,000	36,30,000	36,30,000
Future World Retail Pvt Ltd	33,18,560	33,20,000	33,20,000
<b>Total</b>	<b>4,25,41,317</b>		<b>4,32,30,060</b>

### 35. Earnings in Foreign Currency

1.	Export of goods on FOB basis	46,74,452	59,04,850
2.	Income from Annual Maintenance Contract	33,44,574	29,91,788
	<b>Total</b>	<b>80,19,026</b>	<b>88,96,638</b>

### 36. 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:

Particulars	2015-16	2014-15
Employer's Contribution to Provident Fund	28,72,551	30,77,536
Employer's Contribution to ESI Fund	8,52,516	10,26,941
<b>Total</b>	<b>37,25,067</b>	<b>41,04,477</b>

## Notes forming part of the Financial statements for the year ended March 31, 2016

### b) Defined Benefit Plans

Statement of Profit & Loss: Gratuity Expenses

Net Employee benefit expense (Recognised in Employee Cost):

Particulars	For the Year ending March 31, 2016 (Rs.)	For the Year ending March 31, 2015 (Rs.)
Current Service Cost	6,09,045	6,24,367
Interest Cost	2,37,447	2,32,113
Expected return on plan assets	NIL	NIL
Net actuarial (gain)/loss recognised in the year	(9,97,157)	(2,55,553)
Net benefit expense	(1,50,665)	6,00,927

### Balance sheet

Details of Provision for gratuity

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Fair Value of plan assets	NIL	NIL
Defined benefit obligation	28,74,139	30,24,804
Plan assets/(Liabilities)	NIL	NIL

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

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Opening Defined benefit obligation	30,24,804	26,22,052
Interest Cost	2,37,447	2,32,113
Current Service Cost	6,09,045	6,24,367
Benefits paid	—	(1,98,175)
Actuarial (gains)/losses on obligation	(9,97,157)	(2,55,553)
Closing Defined benefit obligation	28,74,139	30,24,804

## Notes forming part of the Financial statements

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

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Opening fair value of the plan asset	Nil	Nil
Expected return	Nil	Nil
Contribution by employer	Nil	1,98,175
Benefits paid	Nil	(1,98,175)
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, 2016 (Rs.)	As at March 31, 2015 (Rs.)
Discount rate	8%	7.85%
Expected rate of salary increase	4%	4.00%

37. The company had given Stock under Cancellable operating lease. The rental income under such operating lease during the year is Rs.78, 93,995.

38.

a. During the year, the company has not entered into any formal hedging policy to hedge its exposure in foreign currency and interest rate (if any). Hence, the outstanding derivative instruments as on March 31, 2016 is NIL (March 31, 2015 – NIL)

**b. Unhedged foreign currency exposures:**

Foreign currency exposure as on March 31, 2016 if NIL (March31,2015-NIL). Hence Foreign currency exposure that are not Hedged by a derivative Instruments are otherwise is NIL (March 31, 2015-NIL).

### 39. Contingent Liabilities

Particulars	2015-16	2014-15
1. Corporate guarantee given to related party for getting Additional credit facility from their vendor.	10,000,000	10,000,000
2. Income Tax Payables pending under dispute.	12,850,479	11,840,034
3. Indirect Tax Payables pending under dispute	1,341,474	-
<b>Total</b>	<b>2,51,11,674</b>	<b>2,18,40,034</b>

40. 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 133 of the Companies Act, 2013. Hence the reporting requirement under AS 17 does not arise.
41. As at March 31, 2016, the Company has accumulated losses of Rs.1,81,41,293 which is exceeding 50% of the net-worth of the Company and the Company has also incurred cash loss during the year amounting to Rs.26,787,053. Further the company has significant trade receivables amounting to Rs.66,720,336 outstanding for a period of more than six months. However, the management is of the view that the operations of the company will increase significantly in the subsequent years that will lead to improved cash flows and long term sustainability and the company is able to recover the trade receivables and the major shareholders are willing to provide adequate financial support to the company, as and when required, to recover any deficiencies which may arise in meeting the company financial commitment in the foreseeable future. Accordingly, these financial statements do not include any adjustments relating to the recoverability of assets or amounts of liabilities that may be a necessary if the entity is unable to continue as a going concern.
42. Previous period figures are regrouped or reclassified, wherever necessary, to conform to current period classification.

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

Sd/-

**G. Srinivas**

Partner

Membership No: 086761

Place : Bengaluru

Date : May 30, 2016

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

Sd/-

**R C Bhavuk**

DIN:00203636

Managing Director

Sd/-

**Savita Bansal**

Company Secretary

M No. 40662

Sd/-

**K S Bawa**

DIN:00234162

Director

Sd/-

**S Gopalakrishnan**

Chief Financial Officer



**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]

<b>THAKRAL SERVICES (INDIA) LIMITED</b> CIN: L70101KA1983PLC005140 REGISTERED OFFICE : 8 <sup>TH</sup> FLOOR, 'THE ESTATE', 121, DICKENSON ROAD, BENGALURU – 560 042 Website: www.thakral-india.co.in E-mail: tsil@thakral-india.co.in
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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 Friday, the 30<sup>th</sup> September, 2016 at 10.00 a.m. at Rohini Hall, Hotel Ajantha, 22-A, M. G. Road, Bengaluru – 560 001 (Opposite to HSBC Bank) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	Optional*	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of the audited Balance Sheet as on 31.03.2016 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.		

Signed this .....day of.....2016.

Signature of Shareholder(s).....

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

Affix Re 1 revenue stamp here

**Notes:**

- a. 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.
- b. Please complete all details including details of member(s) in above box before submission.
- c.\*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.
- d. 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.
- e. 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.

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**THAKRAL SERVICES (INDIA) LIMITED**

8<sup>th</sup> Floor, "The Estate", 121, Dickenson Road  
Bengaluru – 560 042

CIN: L70101KA1983PLC005140