



THAKRAL

TSIL/61950/2017

29/09/2017

The Manager
Department of Corporate Relationship Cell
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Dear Sir,

Sub: Annual General Meeting for the year 2016-17

We enclose the Annual Report of our Company for the year 2016-17 consisting of Notice of Annual General Meeting, Director's Report, Auditor's Report, Balance Sheet and Profit & Loss Account etc for the financial year 2016-17.

This is for your kind information and records.

Thanking you,

Yours faithfully,

Managing Director

Encl: A/a

THAKRAL SERVICES (INDIA) LIMITED

8th Floor, 'The Estate' # 121, Dickenson Road, Bangalore - 560 042. INDIA Tel : +91-80-25593891/92 Fax : +91-80-25595739
www.thakral-india.co.in C I N : U70101KA1983PLC005140



THAKRAL SERVICES (INDIA) LIMITED

34th
ANNUAL REPORT

2016-17

CONTENTS**Page No.**

Company Information.....	1
Notice.....	2
Directors' Report.....	9
Auditor's Report.....	24
Balance Sheet.....	32
Profit and Loss Account.....	33
Cash Flow Statement.....	34
Notes.....	36
Proxy Form.....	55

: COMPANY INFORMATION :

THAKRAL SERVICES (INDIA) LIMITED
CIN:L70101KA1983PLC005140

BOARD OF DIRECTORS

Mr.Bikramjit Singh Thakral	Non-Executive Director
Mr.C D P Rajendran	Non-Executive Director
Mr.JosephSequeira	Independent Director
Mr.Kanwaljeet Singh Bawa	Non-Executive Director
Mr.Ramesh Chandra Bhavuk	Managing Director
Mr.K R Vijayendra	Independent Director
Mrs.PrasannaPanicker	Non-Executive Director

Chief Financial Officer

Mr.S Gopalakrishnan

Company Secretary

Mrs.Sowmya B S

Registered Office:

 8thFloor "THE ESTATE" No.121
 Dickenson Road, Bengaluru - 560042

Correspondence Address:

 Thakal Group, Ground Floor,
 Golden Millennium, No.69/1,Millers Road,
 Vasant Nagar,Bengaluru - 560052
 Phone: 080-25593891 |Fax: 080-25595739

Registrars & Share Transfer Agents:

 Integrated Registry Management Services Private Limited
 CIN No: U74900TN2015PTC101466
 No. 30, Ramana Residency, 4th Cross, Sampige Road
 Malleswaram, Bengaluru - 560003
 Tel: +91-80-23460815-818 | Fax: +91-80-23460819

Statutory Auditors:

 Brahmayya & Co.
 Chartered Accountants
 10/2, Kasturba Road
 Bengaluru - 560001

Secretarial Auditor:

 Somy Jacob and Associates
 Practicing Company Secretaries
 3/6-6 3rd floor Sheik Ali Complex
 3rd Cross Koramangala, 2nd Block
 Bengaluru - 560 068

Bankers:

Yes Bank Ltd

BOARD COMMITTEES
Audit Committee:

Mr.JosephSequeira	- Chairman
Mr.K R Vijayendra	- Member
Mr.Kanwaljeet Singh Bawa	- Member

Nomination and Remuneration Committee:

Mr.K R Vijayendra	- Chairman
Mr.JosephSequeira	- Member
Mr.Kanwaljeet Singh Bawa	- Member

Stakeholders Relationship Committee:

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

: NOTICE :

NOTICE is hereby given that the **THIRTY FOURTH** Annual General Meeting of the Members of **THAKRAL SERVICES (INDIA) LIMITED** will be held on Thursday, the 28th September, 2017 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 31.03.2017 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 Mrs.PrasannaPanicker (DIN: 06806579) who retires by rotation and being eligible offers herself 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 pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. K S Rao & Co., Chartered Accountants, Firm Registration Number 003109S_{be} and is hereby appointed as Statutory Auditors of the Company in place of M/s.Brahmayya & Co., Chartered Accountants the retiring Auditors of the company, and shall hold office from the conclusion of the Annual General Meeting to be held on 28.09.2017 till the conclusion of the Annual General Meeting to be held in the year 2022 for the period of five years, subject to ratification as to the said appointment at every Annual General Meeting, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditor”.

“RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri.R.C.Bhavuk (DIN:00203636) as Managing Director of the Company, for a period of One(1) year with effect from 01.10.2017 to 30.09.2018 on the terms and conditions including remuneration which is given below :

i) Remuneration and Perquisites:

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

Retirement Benefits :

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

ii) OTHER TERMS AND CONDITIONS:

- a. The Managing Director shall NOT be liable to retire by rotation.
- b. The aforesaid remuneration shall be paid to the Managing Director with effect from 01.10.2017.
- c. The Managing Director shall not be entitled to sitting fees for attending the meeting of the Board of Directors or any committee thereof.
- d. He shall ipso facto cease to be the Managing Director, if he ceases to hold the office of Director.
- e. The service is terminable with three months' notice on either side.

iii) Payment of minimum remuneration in the event of loss or inadequacy of profits:

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

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) of the Company be and is hereby authorised to alter or vary the terms and conditions of the said re-appointment including relating to remuneration, as it may at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule V of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made thereto."

: NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** Proxy forms duly completed in all respects shall be lodged with the Company at least 48 hours before the time fixed for the meeting. The proxy form is annexed at the end of this notice.
2. Members are requested to address all correspondence regarding De-mat, Share Transfers, Certificate Endorsement, Change of Address and other General Queries, to our Registrar **Integrated Registry Management Services Private Limited**, No.30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bengaluru – PIN – 560 003.
3. The Proxies and Members are requested to bring their attendance slip, annexed at the end of this report, to the meeting and sign at the entrance of the venue.

4. The Register of Members and Share Transfer books shall remain closed from Thursday, the 21st September, 2017 to 28th September, 2017 (both days inclusive).
5. Members are requested to update their email id with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company has taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.

6. 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
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <**Thakral Services (India) Limited**> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The remote e-voting period begins on Monday the 25th September 2017 at 9.00 a.m IST and ends on Wednesday the 27th September 2017 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 21.09.2017, 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 under help section or write an email to 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.thakal-india.co.in and on the website of CDSL within three days of passing of the resolution at the AGM of 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., 21st September 2017 may obtain the login ID and password by sending a request at helpdeskevoting@cdslindia.com or 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.

Details of Directors seeking appointment or re-appointment and/or fixation of their Remuneration at the ensuing Annual General Meeting (Pursuant to Secretarial Standard SS-2)

Name of Director	Mrs. Prasanna Panicker (DIN : 06806579)
Age / Date of Birth	63 years / 28.10.1954
Date of First Appointment on the Board	29.05.2015
Expertise in Specific functional areas	Banking
Qualifications	M.Com
Terms and condition of appointment/ re-appointment	Director Liable to Retire by rotation and eligible for reappointment.
Remuneration last drawn by such person, if applicable	N.A.
List of Outside directorship held excluding alternate directorship	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	NIL
Chairman / Member of the Committees of the Board of Directors of other companies in which he/she is a director	NIL
No. of Equity shares held in the Company	NIL
No. of Board Meetings attended during FY 2016-17	3 (Three)
Relationship with other Directors, Manager and other Key Managerial Persons of the Company	NIL

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

ITEM NO. :1:

Shri. R C Bhavuk is an ex- banker and has about 30 years of experience in the banking industry. He served the Company as its Managing Director for the last 20 years from 12th December 1996 onwards. In view of experience in the banking and financial sectors, the Directors are of the opinion that the experience and capability of Mr. Bhavuk would prove valuable in the long-term interest of the Company.

The Directors therefore recommend adoption of the proposed resolution, re appointing him as the Managing Director on terms and conditions, more specifically detailed in the resolution.

The Board of Directors of the Company (the "Board"), at its meeting held on 12th August'2017 on the recommendation of Nomination and Remuneration Committee and subject to the approval of members, re-appointed Shri.R.C.Bhavuk (DIN:00203636) as Managing Director; for a period of 1 (One) year with effect from 1.10.2017, at the remuneration recommended by the Nomination and Remuneration Committee (the "NR Committee") of the Board.

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

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

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

Regd. Office

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

BY ORDER OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR

Place: Bengaluru

Date :14.08.2017

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

I. GENERAL INFORMATION :

- (1) Nature of industry - Electronic Security which comprises of CCTV, Access control, Fire Detection, Alarms, Intrusion Alarms and Solar Power Solutions.
- (2) Year of Commencement of commercial production - 2007.
- (3) Financial performance and Export data:

(Rs. in Lakhs)

FINANCIAL PARAMETERS	2013-14	2014-15	2015-16
TOTAL SALES	3938.31	2954.79	1840.98
PAT	77.23	(338.54)	(346.08)
DIVIDEND %	NIL	NIL	NIL
EXPORT SALES	129.94	59.05	46.74

- (1) Foreign investments or collaborations, if any - NIL

II. INFORMATION ABOUT THE APPOINTEE:

a. Mr. R C Bhavuk

i) Background details - Furnished under Item 1 of the Explanatory statement

ii) Job profile and his suitability:

As Managing Director of the Company, he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company.

Taking into account his previous experience, educational background, knowledge about the industry, past performance in TSIL and the nature and size of operations of the Company, he is a fit and proper person to be re-appointed as the Managing Director of the Company.

iii) Past and proposed remuneration:

Mr. R C Bhavuk is reappointed as the Managing Director of the Company for the period of one year with effect from 01.10.2017 on the same remuneration. The details are furnished in the relevant resolution.

iv) Comparative remuneration profile with respect to industry, size of the company profile of the position and person:

The proposed remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.

v) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any – NIL.

III. OTHER INFORMATION:

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

IV. DISCLOSURES:

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

: DIRECTORS' REPORT :

Your Directors have pleasure in presenting the **Thirty Fourth Annual Report** along with the Audited Accounts for the year ended 31.03.2017.

FINANCIAL RESULTS:

The performance during the period ended 31st March, 2017 has been as under:

(Amount In Lakhs)

Sl.No	Particulars	2016-17	2015-16
1	Gross Income	2416.30	1840.97
2	Profit Before Interest and Depreciation	161.27	-182.55
3	Finance Charges	80.52	87.38
4	Gross Profit	80.75	-269.93
5	Depreciation and Amortisation expenses	47.25	46.16
6	Net Profit Before Tax	33.50	-316.09
7	Provision for Tax	-51.76	-29.99
8	Profit After Tax	85.26	-346.08
9	Balance of Profit brought forward	-181.41	164.67
10	Adjustment on account of Assets	0.00	0.00
11	Balance available for appropriation	-96.15	-181.41
12	Surplus carried to Balance Sheet	-96.15	-181.41

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 Director Mrs.Prasanna Panicker is due for 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 2016-17, a total of 5 Board meetings were held on the following dates viz. 30.05.2016, 10.08.2016, 14.11.2016, 14.02.2017 and 21.03.2017 The maximum time gap between two board meetings was not more than four calendar months.

STATUTORY AUDITORS:

M/s. K S Rao & Co., Chartered Accountants, Firm Registration Number 003109S_{be} and is hereby appointed as Statutory Auditors of the Company in place of M/s.Brahmayya & Co., Chartered Accountants the retiring Auditors of the Company for the period of five years.

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 2016-17, as required under section 204 of the Companies Act, 2013 and Rule 9 there-under. The Secretarial audit report for F.Y. 2016-17 forms part of this Report as Annexure-1.

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)	
	2016-17	2015-16
i. Foreign exchange earned	130.49	33.45
ii. Foreign exchange used	0.00	0.00
iii. Foreign exchange used for import of Capital Goods, Raw Materials etc.	42.91	65.22
iv. Foreign exchange for export of goods	13.25	46.74

DIRECTORS RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 of the company for the same period;
- 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively.
- 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:

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 2016-17.

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.

Boards' reply to the Audit Qualified Opinion:

- 1) As a major portion of Company's business comes from multiple sites small value installations, the customers are spread across the country and many of the sites are located in the interiors of the country. To provide uninterrupted service to our customers Company too has service engineers spread across the country. It is not feasible for engineers to requisition the spares from our regional offices for attending warranty or AMC calls or to wait for small accessories to come from regional offices for completing installations. Hence they are provided with minimum standard spares, usage of which is periodically reported back to the regional offices. Management is taking steps to improve the reporting mechanism so that complete information is available.

In many cases the bulk orders are received from customers, especially banks, based on which material is dispatched to the branches/ATMs of the bank. However, sometimes small number of these branches/ATMS are not ready for immediate installation because of issues like branch/ATM being under construction, being furnished or under shifting. In such cases the material is kept in their custody till the site is ready for installation. It is neither feasible to bring back the material nor it is possible to get any confirmation from the customer and the delivery proof is the only supporting document. In some cases like large Jewellery stores or factories the sites are under construction/ furnishing and installation is done in stages and hence till the installation is complete, material will be reflected as Material lying with customer.

Both the above cases are peculiar to our line of business and unavoidable.

- 2) Major portion of company's business comes from banks where invoices are raised on individual branches spread across India including places like North East India and Kashmir. In such cases it is not feasible to obtain confirmation from individual branches primarily due to volume of transactions and reluctance of the staff at Bank branches to generate any document except for the documents being generated and maintained by them in the ordinary course of the business of the bank.

Retention is kept by customers for a minimum period of one year for the complete warranty period. In many cases EMD is converted into security for the warranty period. In all these cases the amount of retention and EMD will invariably be in higher age bracket before being released.

Company is confident that it will be able to recover all the outstanding reflected as recoverable in books. During the year also the company has been able to recover payment against many old invoices and retention. One major outstanding of Rs.1.88 crores is also confirmed to be received before 31.12.2017. During last few years, Company had ventured into large projects which lead to some cases where payments go delayed. We have now been receiving payments for invoices raised for such projects, though delayed. Company expects the remaining payment for such invoices also to be realised in due course.

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 hereunder:

(Rs. In Lakhs)

Sl. No.	Name	Designation	Remuneration paid FY 2016-17	Remuneration paid FY 2015-16	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	----	15
2	Mr.S Gopalakrishnan	(CFO-KMP)	7.95	7.94	0.01	8
3	Mrs.Sowmya B S *	(CS-KMP)	0.60	----	----	----
4	Mrs.Savita Bansal **	(CS-KMP)	0.45	0.13	----	----

* Appointed wef 14.11.2016 ** Resigned wef 10.08.2016

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.1.02Crores or more, or employees who are employed for part of the year and in receipt of Rs.8.50 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**Place: BENGALURU****Date: 30.05.2017****CHAIRMAN**

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

FOR THE FINANCIAL YEAR ENDED MARCH 31,2017

[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,
Bangalore 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, 2017 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 31.03.2017 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) SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015;

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 incurred delay 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.

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 : Bangalore

Date : 30/05/2017

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) 195 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	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)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

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 31.03.2017

I REGISTRATION & OTHER DETAILS :

1.	CIN	L70101KA1983PLC005140
2.	Registration Date	25/01/1983
3.	Name of the Company	THAKRAL SERVICES (INDIA) LIMITED
4.	Category/Sub-category of the Company	Company having share capital
5.	Address of the Registered office & contact details	Registered Office: 8 th floor "THE ESTATE" No.121 Dickenson Road, Bengaluru- 560 042 Correspondence Address: Thakral Group, Ground Floor, Golden Millennium, No.69/1, Millers Road, Vasant Nagar, Bengaluru - 560 052 Phone No: 080-2559389 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 Registry Management Services Private Limited CIN No: U74900TN2015PTC101466 No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore - 560003 Tel: +91-80-23460815-818 Fax: 080-23460819

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 th Floor "THE ESTATE" No.121 Dickenson Road Bengaluru-560 042	U72200KA2015 PTC080949	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 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(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	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	4029200	-	4029200	34.33	4029200	-	4029200	34.33	-	-
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	4655000	-	4655000	39.67	4655000	-	4655000	39.67	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	4655000	-	4655000	39.67	4655000	-	4655000	39.67	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	8684200	-	8684200	74.00	8684200	-	8684200	74.00	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
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)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions										
a) Bodies Corporates										
i) Indian	1470810	2140	1472950	12.55	1471010	2140	1473150	12.55	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	110474	353806	464280	3.96	111750	352156	463906	3.96	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	40000	40000	0.34	-	40000	40000	0.34	-	-
c) Others (specify)										
NRI 1025000	48000	1073000	9.14	1025071	48000	1073071	9.14	-	-	-
Clearing Member	450	-	450	0.00	553	-	553	0.00	-	-
Trust	200	-	200	0.00	200	-	200	0.00	-	-
SUB TOTAL (B)(2):	2606934	443946	3050880	26.00	2608584	442296	3050880	26.00	-	-
Total Public Shareholding(B)= (B)(1)+(B)(2)	2606934	443946	3050880	26.00	2608584	442296	3050880	26.00	-	-
C. Shares held by Custodian for GDRs & ADRs										
	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	11291134	443946	11735080	100.00	11292784	442296	11735080	100.00	-	-

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	M/s. Thakral Investments India Ltd	4029200	34.33	0	4029200	34.33	0	0
2	M/s. Thakral Investments Holding (Mauritius) Ltd	2200000	18.75	0	2200000	18.75	0	0
3	M/s. Paramount Park Ltd	2455000	20.92	0	2455000	20.92	0	0
	TOTAL	8684200	74.00	0	8684200	74.00	0	0

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

Sl. No	Shareholders Name	Shareholding at the beginning of the year 01.04.2016		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Shareholding during the year 31.3.2017		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	01.04.2016	NO MOVEMENT DURING THE YEAR		4029200	34.33	
				31.03.2017					
2	THAKRAL INVESTMENTS HOLDINGS (MAURITIUS) LIMITED	2200000	18.75	01.04.2016	NO MOVEMENT DURING THE YEAR		2200000	18.75	
				31.03.2017					
3	PARAMOUNT PARK LIMITED	2455000	20.92	01.04.2016	NO MOVEMENT DURING THE YEAR		2455000	20.92	
				31.03.2017					

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 01.04.2016		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Shareholding during the year 31.03.2017	
		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	01.04.2016	NO MOVEMENT DURING THE YEAR		1464200	12.48
				31.03.2017				
2	KANWALJEET SINGH DHILLON	1025000	8.73	01.04.2016	NO MOVEMENT DURING THE YEAR		1025000	8.73
				31.03.2017				

3	MR V P PUNJ	40000	0.34	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			40000	0.34
4	DEVINDER KAUR	20000	0.17	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			20000	0.17
5	HITESH RAMJI JAVERI	8000	0.07	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			8000	0.07
6	HARSHA HITESH JAVERI	5598	0.05	01.04.2016	0	0	5598	0.05
				13.05.2016	1390	TRANSFER	6988	0.06
				31.03.2017			6988	0.06
7	AMRIT KAUR	5000	0.04	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			5000	0.04
8	GURUNAM KAUR	5000	0.04	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			5000	0.04
9	HARMINDER KAUR	5000	0.04	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			5000	0.04
10	H R SHIVA PRASAD	4500	0.04	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			4500	0.04

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	Mr. Ramesh Chandra Bhavuk 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	Mr. S Gopala Krishna At the beginning of the year At the end of the year	NIL NIL	NIL NIL	NIL NIL	NIL NIL
3	Mrs. Sowmya B S 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
Indebtedness at the beginning of the financial year				
i) Principal Amount	643.27	441.71	0	1084.98
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	643.27	441.71	0	1084.98
Change in Indebtedness during the financial year				
* Addition	101.46	181.78	0	283.24
* Reduction	0	0	0	0
Net Change	101.46	181.78	0	283.24
Indebtedness at the end of the financial year				
i) Principal Amount	744.73	623.49		1368.22
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	744.73	623.49	0	1368.22

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	7.95	7.95
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.49	1.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	- others, specify...	0	0
5	Others - Annual benefits	5.43	5.43
	Total (A)	14.87	14.87

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	0.23	0.23	0	0	0	0.14	0.60
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	0.23	0.23	0	0	0	0.14	0.60
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. S Gopalakrishnan (CFO)	Mrs. Sowmya B S (CS)*	Mrs. Savita Bansal (CS)**	Total
1	Gross salary	7.95	0.60	0.45	9.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	7.95	0.60	0.45	9.00

*Appointed wef 14.11.2016 **Resigned wef 10.08.2016

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)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
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 organization is confident that this line will have a good growth in the years to come.

2. Opportunities and Threats:

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

spread across on all segments. With the already established customer contacts, good growth on this line is anticipated.

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

3. Internal Control system:

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

The Company had reconstituted the Audit committee, which comprises of three Directors who are serving on the Board. The audit committee reviews the internal control system and other terms of reference at regular intervals. The Audit committee continuously reviews the adequacy and efficacy of the internal controls. The audit observations are followed up for implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain their views on the adequacy of the internal control systems in the Company and their observations on the financial reports. The Audit Committee's observations are acted upon by the Management.

4. Future Outlook:

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

5. Financial:

The present capital base of the Company is Rs.3.52 Crores. The Company's performance during the last year resulted in a profit of Rs.85.26 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.

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 **M/s. Thakral Services (India) Limited** ('the Company'), which comprise the Balance Sheet as at March 31st, 2017, 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 is 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.

Basis for Qualified Opinion:

1. As per Accounting Standard(AS) - 2, Inventories should be valued at Cost or Net Realizable Value (NRV) whichever is lower and the Company policy is to follow the FIFO method to determine the cost of inventory. However, the company has not determined cost of inventory as per above policy as on March 31, 2017. Further, the company has not accounted inventory receipts and issues properly resulting in negative quantiles and value for the many items as on March 31, 2017. With the available information we are unable to quantify the impact on inventory valuation as on March 31, 2017.

Further, the company has closing stock amounting to Rs. 26,03,604 as on March 31st 2017, which are lying with customers and engineers. However, company has neither conducted physical verification nor obtained supporting documents from the customers (or) engineers to confirm that stock is available with them. Accordingly, we are unable to comment on the existence the stock lying with the customers as per books of account and its impact on the carrying value of the inventory as on March 31, 2017.

2. The company has Trade Receivables, other advances, Retention Money receivable from the Customers and Earnest Money Deposits for which Company has neither obtained balance confirmations nor statement of account from its customers to reconcile the receivables. As a result of this, we are unable to comment on provision to be accrued for the bad and doubtful receivables and outstanding balances as on the Balance Sheet Date and its consequential impact on the Financial Statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, expect for the effects of the matters described in the Basis for Qualified Opinion paragraph above, 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 31st, 2017, and its Statement of profit or loss and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial statements

1. The Company has prepared its financial statements by applying the going concern assumption, notwithstanding fact that the Company has accumulated losses of Rs. 96,15,536 as at March 31, 2017, further there are significant trade receivables amounting to Rs. 8,78,74,568 outstanding for a period of more than six months. Based on the reasons fully explained in the aforesaid note 38, 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.

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) Except for the effects of the matters described in Basis for Qualified Opinion paragraph above, 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 except for the matters specified in the Basis for Qualified Opinion;
- (d) Except for the effects of the matters described in Basis for Qualified Opinion paragraph above, 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 38 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.
- iv. The company has provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes during November 08, 2016 to December 30, 2016, as defined in the Notification S.O 3407(E) dated the November 08, 2016 and it is in accordance with the books of accounts maintained by the company.

For Brahmaya & Co.,
Chartered Accountants
ICAI Firm registration no:000515S
G. Srinivas
Partner
Membership number: 086761

Place: Bengaluru
Date: May 30th, 2017

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, 2017 we report that:

- (i) In respect of the company's Fixed Assets**
 - a. As per the information and explanation provided to us, the Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets
 - b. The Management has conducted any physical verification of fixed assets during the year.
 - c. According to the information and explanations given to us and 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 not 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'). If so 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) According to the information and explanations given to us, and to the best of our knowledge, the central government has not prescribed maintenance of cost records under subsection (1) of Section 148 of Companies Act, for 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. Arrears of Outstanding Statutory Dues as at March 31, 2017 for a period of more than 6 months from the date they became payable are as follows:

Name of the Statute	Nature of Dues	Amount
Value Added Tax	VAT	1,95,886
Central Sales Tax,1956	CST	5,34,821
Service Tax,1994	ST	1,02,212
Employee Provident Fund and Miscellaneous Act,1952	EPF	14,50,238
Employee State Insurance Act,1948	ESI	4,26,919
Professional Tax	PT	58,922

- 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, 2017 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	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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (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 Brahmayya & Co.,
Chartered Accountants
ICAI Firm registration no:000515S
G. Srinivas
Partner
Membership number: 086761

Place: Bengaluru
Date: May 30th, 2017

"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 M/s. Thakral Services (India) Limited ("the Company") as of March 31, 2017, 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 31st March 2017:

- a) The Company did not have an appropriate internal control system for inventory with regard to receipts, issues and Physical verification. These could potentially result in material misstatements in the company's trade payables, consumption, Inventory valuation.
- b) The Company did not have an appropriate internal control system for collection/recovery of the Trade Receivables within the due dates, adjusting of amounts received from customers with respect to respective invoices, recording of due dates for receipt of retention money and earnest money deposits withheld by the customer and other than retention money which may result in non-recognition of the bad debts and incorrect estimation of provision for bad and doubtful debts and which may affect the funds for the Working Capital.
- c) The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limits for sales, which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.

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 2017, 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 2017 financial statements of the company and these material weaknesses do not affect our opinion on the financial statements of the company.

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

G. Srinivas
Partner
Membership number: 086761

Place: Bengaluru
Date: May 30th, 2017

THAKRAL SERVICES (INDIA) LIMITED

CIN - L70101KA1983PLC005140

Balance Sheet as at March 31, 2017

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	35,205,240	35,205,240
(b) Reserves and surplus	4	(9,615,536)	(18,141,293)
		25,589,704	17,063,947
(2) Non - Current Liabilities			
(a) Long term borrowings	5	62,349,663	43,230,060
(b) Long term provisions	6	3,212,832	2,892,325
		65,562,495	46,122,385
(3) Current Liabilities			
(a) Short term borrowings	7	74,472,682	64,327,184
(b) Trade payables	8	13,316,496	29,344,822
(c) Other Current Liabilities	9	29,155,665	44,171,830
(d) Short term provisions	10	10,256,972	9,125,706
		127,201,815	146,969,543
TOTAL		218,354,014	210,155,875
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets - Tangible assets	11	9,953,009	10,599,818
(b) Non - current investments	12	254,410	254,410
(c) Deferred tax assets (Net)	13	5,814,616	-
(d) Long term loans and advances	14	6,947,553	6,035,551
(e) Other non current assets	15	1,984,461	2,248,313
		24,954,049	19,138,092
(2) Current Assets			
(a) Inventories	16	14,105,930	14,126,224
(b) Trade receivables	17	155,878,883	134,151,163
(c) Cash and Other Bank Balances	18	2,908,373	1,258,775
(d) Short term loans and advances	19	14,447,529	34,036,065
(e) Other current assets	20	6,059,250	7,445,557
		193,399,965	191,017,783
TOTAL		218,354,014	210,155,875
Summary of significant accounting policies		2	

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 30th, 2017

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

Sd/-
R C Bhavuk
DIN:00203636
Managing Director
Sd/-
Sowmya BS
Company Secretary
M.No. 25273

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, 2017

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I. REVENUE FROM OPERATION	21	241,206,367	183,068,763
II. Other income	22	424,043	1,028,854
III. Total revenue		241,630,411	184,097,617
IV. Expenses			
a) Purchase of stock in trade	23	123,505,718	93,151,385
b) Changes in inventories of stock in trade	24	20,294	3,986,354
c) Employee benefits expense	25	52,403,135	51,617,427
d) Finance costs	26	8,051,836	8,738,321
e) Depreciation and amortization expense	27	4,725,574	4,616,153
f) Other expenses	28	49,574,491	53,596,930
V. Total Expenses		238,281,048	215,706,570
Profit before tax		3,349,363	(31,608,953)
VI. Exceptional Items		-	-
VII. Profit/(Loss) before extraordinary items and Tax Expense		3,349,363	(31,608,953)
VIII. Extraordinary Items		-	-
IX. Profit before tax		3,349,363	(31,608,953)
X. Tax expense			
a) Current tax		638,221	-
b) Deferred tax (Credit)/Charge		(5,814,616)	(2,999,105)
		(5,176,395)	(2,999,105)
XI. Profit/(Loss) for the period		8,525,758	(34,608,058)
XII. Earning per equity share:	29		
a) Basic		0.73	(2.95)
b) Diluted		0.73	(2.95)
Summary of significant accounting policies	2		

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. : 000515S

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

Sd/-
G. Srinivas
Partner
Membership No: 086761

Sd/-
R C Bhavuk
DIN:00203636
Managing Director

Sd/-
K S Bawa
DIN:00234162
Director

Place : Bengaluru
Date : May 30th, 2017

Sd/-
Sowmya BS
Company Secretary
M.No. 25273

Sd/-
S Gopalakrishnan
Chief Financial Officer

THAKRAL SERVICES (INDIA) LIMITED

CIN - L70101KA1983PLC005140

Cash flow statement for the year ended March 31, 2017**(Amount in Rupees)**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
I. Cash flow from operating activities		
Profit before tax	3,349,363	(31,608,953)
Depreciation	4,725,574	4,616,153
Bad debts	183,115	556,736
Interest income	(173,932)	(337,227)
Income from investments	0	0
Written Off of fixed assets	68,268	273,805
Sundry credit balance and provision written back	(183,618)	(624,794)
Foreign exchange loss	0	0
Interest expenses	8,051,836	8,738,321
Operating profit before working capital changes	16,020,606	(18,385,958)
Movements in working capital :		
Increase/ (decrease) in trade payables	(16,027,045)	(17,857,955)
Increase/ (decrease) in other current liabilities	(15,016,165)	2,120,625
Decrease / (increase) in trade receivables	(21,910,836)	49,571,867
Decrease / (increase) in inventories	20,294	3,986,351
Decrease / (increase) in other current assets	1,386,307	2,332,818
Decrease / (increase) in other Non current assets	0	0
Decrease / (Increase) long term loans and advances	(912,002)	3,449,933
Decrease / (increase) short term loans and advances	1,637,973	(1,220,725)
Increase / (decrease) in long term provisions	320,507	(680,929)
Increase / (decrease) in short-term provisions	675,381	2,515,801
Cash generated from / (used in) operations	(33,804,979)	25,831,830
Direct taxes paid (net of refunds)	17,950,563	(987,643)
Net cash flow from/ (used in) operating activities (I)	(15,854,416)	24,844,186
II. Cash flows from Investing activities		
Purchase of fixed assets	(4,147,033)	(2,639,228)
Proceeds from sale of fixed assets	0	109,608
Investment in Companies	0	(98,000)
Investment in Bank Guarantee Deposits	263,852	(32,556)
Interest received	173,932	337,227
Income from investment	0	0
Net cash flow from/ (used in) investing activities (II)	(3,709,249)	(2,322,949)
III. Cash flows from financing activities		
Proceeds from long-term borrowings	0	0
Proceeds from Share capital	0	0
Repayment of long-term borrowings	19,119,603	688,743
Proceeds from short-term borrowings	10,145,498	(15,004,471)
Repayment of short-term borrowings	0	0
Interest paid	(8,051,836)	(8,738,321)
Net cash flow from/ (used in) in financing activities (III)	21,213,264	(23,054,049)

THAKRAL SERVICES (INDIA) LIMITED

CIN - L70101KA1983PLC005140

Cash flow statement for the year ended March 31, 2017

(Amount in Rupees)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Net increase/(decrease) in cash and cash equivalents (I+II+III)	1,649,599	(532,812)
Cash and cash equivalents at the beginning of the year	1,258,775	1,791,587
Cash and cash equivalents at the end of the year	2,908,373	1,258,775
Components of cash and cash equivalents		
Cash on hand	73,809	389,843
Cheques on hand	0	0
With banks		
- on current account	2,834,564	868,932
- on deposit account	0	0
Total cash and cash equivalents	2,908,373	1,258,775

Notes:

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2017 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 211 (3C) of the Companies Act, 1956.
3. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

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

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

Sd/-
G. Srinivas
Partner
Membership No: 086761

Place : Bengaluru
Date : May 30, 2017

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

Sd/-
R C Bhavuk
DIN:00203636
Managing Director

Sd/-
Sowmya BS
Company Secretary
M.No. 25273

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, 2017**1. Company Overview:**

Thakral Services (India) Limited ('the Company') was incorporated on January 25th, 1983 as private limited company with its registered office at Bangalore, originally with the name Parvidhgaar Leasing Pvt. Ltd. On November 18th, 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 November 16th, 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 cenvat credit, 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.

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)
Office Equipment	5
Computers	3
Furniture & Fixtures	10
Vehicle	8
Rental Stock	5

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.

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.

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.

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.

Notes forming part of the Financial statements

r. Contingent Liability

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

s. Cash and Cash Equivalents

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

3. Share capital

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised shares Capital 4,33,40,000 equity shares of Rs. 3 each	130,020,000	130,020,000
Issued, subscribed and fully paid-up shares 1,17,35,080 equity shares of Rs.3 each fully paid up	35,205,240	35,205,240
Total issued, subscribed and fully paid-up share capital	35,205,240	35,205,240

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
At the beginning of the period	11,735,080	35,205,240	11,735,080	35,205,240
Allotted during the period out of share application money	-	-	-	-
Outstanding at the end of the period	11,735,080	35,205,240	11,735,080	35,205,240

b) Terms/ rights attached to equity shares

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

Notes forming part of the Financial statements

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	% holding	Number	% holding
Equity shares of Rs. 3 (As on 31st March 2017 Rs.3) each fully paid				
TIL Investment Pvt 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%
Total	11,173,400	95.21%	11,173,400	95.21%

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

4. Reserves and surplus

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Capital Reserves		
Opening Balance	999,918	999,918
(+) Current Year Transfer	0	0
(-) Written Back in Current Year	0	0
Closing Balance	999,918	999,918
b) Surplus/ (deficit) in the statement of profit and loss		
Opening balance	(19,141,211)	15,466,846
Less : Adjustment on account of Assets whose life has been expired as on 1.4.2014	0	0
Net Profit/(Net Loss) For the current year	8,525,758	(34,608,057)
Current Year Transfer	0	0
Closing Balance	(10,615,453)	(19,141,211)

5. Long-term borrowings*

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Loans:		
Loans and advances from related parties	62,349,663	43,230,060
Total Unsecured Loans	62,349,663	43,230,060
Secured Borrowings	0	0
Unsecured Borrowings	62,349,663	43,230,060

*Current portion of Long Term Borrowings is shown under "Other Current Liabilities"

Notes forming part of the Financial statements

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

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Provision for Gratuity	2,359,876	2,057,380
Provision for Leave benefits	567,356	549,345
Provision for Superannuation	285,600	285,600
	3,212,832	2,892,325

7. Short-term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Short Term Loans		
from banks		
i) Working capital demand loan	0	0
ii) Cash credit	74,472,682	64,327,184
iii) Vehicle Loan	0	0
	74,472,682	64,327,184

The above amount includes 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

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payable		
Material		
Services		
- due to MSMED	0	0
- due to Others	13,316,496	29,344,822
	13,316,496	29,344,822

Notes forming part of the Financial statements

9. Other current liabilities

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
i) Income received in advance	1,386,582	1,511,805
ii) Advance received from Customers	5,834,748	6,926,507
iii) TDS Payable	315,516	299,247
iv) CST Payable	1,038,023	626,129
v) Other Statutory Liability	6,632,081	22,065,955
vi) Service Tax Payable	1,697,839	683,552
vii) VAT Payable	2,039,627	1,052,317
viii) Current portion of Vehicle Loan	0	0
ix) Salary payable	5,098,372	5,033,693
x) Audit Fees Payable	250,000	457,199
xi) Outstanding Liabilities	0	0
xii) Others	4,862,876	5,515,425
	29,155,665	44,171,830

10. Short Term Provisions

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Provision for gratuity	405,380	816,759
Provision for leave benefits	308,888	476,151
	714,268	1,292,910
Other provision		
Provision for Investment	0	36,080
Provision for Income Tax	638,221	0
Provision for Warranty	8,029,428	7,172,974
Provision pending installation	875,055	623,742
	9,542,704	7,832,796
	10,256,972	9,125,706

Thakral Services (India) Limited
Notes forming part of the Financial statements
Fixed Assets - Tangible Assets

Note No. 11**(Amount in Rupees)**

Description of Assets	Gross Block				Depreciation				Net Block Value as at 31.03.2017	Net Block Value as at 31.03.2016		
	As At 1.4.2016	Additions	Deductions	As At 31.03.2017	Up To 1.4.2016	For The Period	Adjustment	Deletion			Adjusted to P&L Account	As At 31.03.2017
	Office Equipment	6,862,691	1,099,288	-	7,961,979	6,257,831	671,902	-			-	14,368
Furniture & Fixtures	7,596,150	-	-	7,596,150	3,375,305	959,302	-	-	-	4,334,607	3,261,543	4,220,845
Rental Stock	18,119,483	3,047,745	-	21,167,228	12,752,191	3,094,370	-	-	(82,636)	15,929,197	5,238,031	5,367,292
Plant & Machinery	417,053	-	-	417,053	10,232	-	-	-	-	10,232	406,821	406,821
TOTAL	32,995,377	4,147,033	-	37,142,410	22,395,559	4,725,574	-	-	(68,268)	27,189,401	9,953,009	10,599,818
Previous Year	30,465,756	2,639,229	109,608	32,995,377	17,505,601	4,616,153	-	-	363,211	22,395,559	10,599,818	12,960,155

Notes forming part of the Financial statements

12. Non-Current Investment

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016
Investment in Equity Instruments		
a) Share in M/s Jaiprakash Associates Ltd(15,750 Equity share of 2 each) Market Value Rs. 2,16,563/- As on 31st March 2017	156,410	156,410
b) Share in M/s Thakral Electronic Security Solutions Pvt Ltd (9800 shares of Rs. 10 each) Market Value -Not applicable - As on 31st March 2017	98,000	98,000
	254,410	254,410

13. Deferred tax Assets (net)

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liabilities		
Difference in depreciation as per tax books and financial books	248,256	(699,606)
	248,256	(699,606)
Deferred tax assets		
Unabsorbed depreciation	0	0
Carry forward of losses	0	0
Provision for Gratuity/Leave Encashment/Warranty/ Unabsorbed dep Etc...	5,566,360	0
Net deferred tax Assets	5,814,616	(699,606)

14. Long Term Loans and advances

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016
Security deposit		
Unsecured, considered good	6,947,553	6,035,551
Loans and Advances to Related party		
Unsecured, considered good	0	0
Total	6,947,553	6,035,551

15. Other Non Current Assets

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016
Others		
Margin money on Bank Guarantees with Original Maturity more than 12 months	1,984,461	2,248,313
Total	1,984,461	2,248,313

Notes forming part of the Financial statements

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

Particulars	As at March 31, 2017	As at March 31, 2016
Stock in trade	14,105,930	14,126,224
	14,105,930	14,126,224

17. Trade Receivable (Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	0	0
Unsecured, considered good	87,874,568	66,720,336
Unsecured, considered, doubtful	12,078	12,078
	87,886,646	66,732,414
Provision for doubtful trade receivables	(12,078)	(12,078)
	87,874,568	66,720,336
Outstanding for a period Less than six months from the date they are due for payment		
Secured, considered good	0	0
Unsecured, considered good	68,004,315	67,430,827
	68,004,315	67,430,827
Provision for doubtful trade receivables	0	0
	68,004,315	67,430,827
Total (A+B)	155,878,883	134,151,163

18. Cash and Other Bank Balances (Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
I. Cash and Cash Equivalent		
Cash on hand	73,809	389,843
Balances with banks:		
- On current accounts	2,834,564	868,932
- Deposits with original maturity of less than three months	0	0
Cheques/ drafts on hand	0	0
Cash on hand	0	0
	2,908,373	1,258,775
Other bank balances		
- Margin money deposit	0	0
	0	0
Amount disclosed under Non Current Assets		
- Margin Money on Bank Guarantees with Original Maturity more than 12 months	1984461	2248313

Notes forming part of the Financial statements

19. Short Term Loans and Advances

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Loans and advances to related parties		
Unsecured, considered good		
CST Receivable	5,176	5,176
Works contract tax receivable	513,213	645,434
Advance income-tax	1,102,312	19,052,875
Advance FBT	0	0
Advances to employee for salary and expenses	1,084,498	1,924,343
Advances against purchases	2,535,287	7,092,159
Prepaid expenses	41,602	29,552
Earnest money deposits with Customers	4,118,172	3,964,421
Other loans and advances	5,015,035	163,774
Inter Office balance	0	0
Total	14,447,529	34,036,065

20. Other current assets

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not Received	19,467	48,116,
Retention money given to Customers	6,039,782	7,397,441
Total	6,059,250	7,445,557

21. Revenue from Operations

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations		
Sale of Goods		
Domestic sales	168,206,601	130,697,861
Export sales	8,838,402	4,674,452
Sale of services		
Service and Installation charges received	11,748,628	9,285,033
Rental Receipt on Stocks and AMC Income	52,412,737	38,411,417
Other operating income		
Commission from marketing services	0	0
Income from arrangement of training	0	0
	241,206,367	183,068,763

Notes forming part of the Financial statements

22. Other Income

(Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Dividend Income from non trade quoted investment	0	0
Interest income	173,932	337,227
Excess provisions for earlier year written back	182,337	621,087
Sundry Credit Balances written back	1,282	3,707
Miscellaneous income	63,442	66,834
	424,043	1,028,854

23. Purchases of Stock in trade

(Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Stand alone DVR	14,907,357	15,287,814
Cameras	0	0
Dome Cameras	7,340,500	10,791,710
C Mount Cameras	24,250	795,419
Cameras-Others	10,126,046	10,389,579
DVR Card	0	29,000
Lens	111,142	102,761
Cameras and Accessories	1,974,465	2,551,642
Cable Accessories	46,487,619	28,774,552
Other Parts	42,534,340	24,428,908
	123,505,718	93,151,385

24. (Increase)/ decrease in inventories

(Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Inventories at the beginning of the year	14,126,223	18,112,577
Inventories at the end of the year	14,105,930	14,126,224
(Increase)/ decrease in inventories	20,294	3,986,354

25. Employee benefit expense

(Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Salaries, wages and bonus	45,016,789	43,920,262
Contribution to Provident Fund and ESI	4,005,328	3,725,067
Gratuity expenses	533,069	304,285
Staff welfare expenses	2,847,949	3,667,813
	52,403,135	51,617,427

Notes forming part of the Financial statements

26. Finance costs (Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Interest	8,051,836	8,738,321
	8,051,836	8,738,321

27. Depreciation and amortization expense (Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Depreciation of tangible assets	4,725,574	4,616,153
Amortization of Intangible Assets	4,725,574	4,616,153

28. Other Expenses (Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Cabling and Installation charges	12,488,719	13,048,056
Carriage and Freight Inward	322,608	830,406
Commission and Brokerage	0	11,685
Training and Seminar Expenses	0	2,791,600
Packing Material	181,737	216,537
Insurance	213,531	327,108
Rental Expenses	6,507,353	7,504,115
Rates and Taxes	247,074	205,888
Printing and Stationery	925,627	855,294
Software Expenses	605,545	867,333
Communication Expenses	2,506,912	3,038,181
Electricity Charges	1,309,097	1,447,098
Repairs and Maintenance	637,164	562,735
Travelling and Conveyance	9,053,152	8,011,051
Legal and Consultancy	773,372	692,620
Security Service Charges	669,771	556,922
Bank Charges	484,744	760,497
Carriage and Freight Outward	3,260,096	3,418,537
Selling Distribution Expenses	1,261,957	3,028,619
Miscellaneous expenses	7,448,737	4,420,696
Payment to Auditors		
For Audit	200,000	400,000
For Expenses	60,465	33,067
Written off of asset	0	36,080
Additional Depreciation	68,268	273,805
Exchange Fluctuation loss	348,561	259,000
	49,574,491	53,596,930

29. Earning per share (EPS)

(Amount in Rupees)

Particulars	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Total operations for the year		
Net (loss) after Tax for calculation of Basic EPS and Diluted EPS	8,525,758	(34,608,057)
Weighted average number of equity shares in calculating basic EPS	11,735,080	11,735,080
Face Value per Share	3	3
Effects of dilution:		
Allotment of share from share application money received	NIL	NIL
Weighted average number of equity shares in calculating diluted EPS	11,735,080	11,735,080
Basic EPS	0.73	(2.95)
Diluted EPS	0.73	(2.95)

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, 2017. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

31. Related Party Disclosure

a) List of Related Party and Relationship:

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

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

Sl. No.	Related Party Transactions	April 1st 2016 to March 31, 2017 (Rs.)	April 1st 2015 to March 31, 2016 (Rs.)
1	Trade Receivables Future World (India) Pvt Ltd	1,88,88,880	2,14,68,831
2	Rental Deposit Thakral One Solutions Pvt Ltd	15,31,200	15,31,200
3	Unsecured loans availed/(repaid) during the year from companies where directors have significant influence*	1,91,19,603	6,88,743
4	Closing balance of unsecured loans from companies where directors have significant influence.	6,23,49,663	4,32,30,060

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	1,76,96,500	2,13,40,779	2,13,40,779
Thakral Computers Pvt Ltd	84,15,768	90,39,286	89,23,960
Raminder Singh	23,00,931	23,00,931	23,00,931
Westminster Developments Pvt Ltd	48,13,192	1,47,60,191	1,46,10,092
Normandy Developments Pvt Ltd	2,72,299	35,05,025	35,05,025
Glade Trading Co. Pvt Ltd	12,87,818	15,60,117	15,60,117
Minnow Trading Co. Pvt Ltd	14,93,552	14,79,399	14,79,399
Inderbethal Singh Thakral	36,30,000	36,30,000	36,30,000
Future World Retail Pvt Ltd	33,20,000	50,00,000	49,99,360
Total	4,32,30,060		6,23,49,663

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

Sl. No.	Related Party Transactions	April 1st 2016 to March 31, 2017 (Rs.)	April 1st 2015 to March 31, 2016 (Rs.)
1	Remuneration:Key Management Personnel R.C. Bhavuk	14,87,167	14,87,167
2.	Rent Payment Thakral One Solution Pvt Ltd	18,37,440	18,37,440

d) Summary of the Related Party Transaction: (Others)

Sl. No.	Related Party Transactions	April 1st 2016 to March 31, 2017 (Rs.)	April 1st 2015 to March 31, 2016 (Rs.)
1	Corporate Guarantee Future World Retail Pvt Ltd	1,00,00,000	1,00,00,000

32. Value of Imports on CIF Basis

Sl. No.	Particulars	For the Year ending March 31, 2017 (Rs.)	For the Year ending March 31, 2016 (Rs.)
1.	Components & Spares	42,90,977	65,22,308
	Total	42,90,977	65,22,308

33. Expenditure in Foreign Currency

Sl. No.	Particulars	For the Year ending March 31, 2017 (Rs.)	For the Year ending March 31, 2016 (Rs.)
1.	Travelling expenditure	---	---
2.	Software Licenses	59,758	
	Total	59,758	---

34. Earnings in Foreign Currency

Sl. No.	Particulars	For the Year ending March 31, 2017 (Rs.)	For the Year ending March 31, 2016 (Rs.)
1.	Export of goods on FOB basis	88,38,402	46,74,452
2.	Income from Annual Maintenance Contract	40,48,506	33,44,574
3.	Installation charges	13,24,994	
	Total	1,42,11,902	80,19,026

35. Employee Benefits

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

a) Defined Contribution Plan:

Contribution to funds:

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
Employer's Contribution to Provident Fund	31,98,756	28,72,551
Employer's Contribution to ESI Fund	8,06,572	8,52,516
Total	40,05,328	37,25,067

b) Defined Benefit Plans

Statement of Profit & Loss: Gratuity Expenses

Net Employee benefit expense (Recognised in Employee Cost):

Particulars	For the Year ended March 31, 2017 (Rs.)	For the Year ended March 31, 2016 (Rs.)
Current Service Cost	6,91,935	6,09,045
Interest Cost	2,04,253	2,37,447
Expected return on plan assets	NIL	NIL
Net actuarial (gain)/loss recognised in the year	(3,63,119)	(9,97,157)
Net benefit expense	5,33,069	(1,50,665)

Balance sheet

Details of Provision for gratuity

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Fair Value of plan assets	NIL	NIL
Defined benefit obligation	27,65,256	28,74,139
Plan assets/(Liabilities)	NIL	NIL

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

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Opening Defined benefit obligation	28,74,139	30,24,804
Interest Cost	2,04,253	2,37,447
Current Service Cost	6,91,935	6,09,045
Benefits paid	—	—
Actuarial (gains)/losses on obligation	(3,63,119)	(9,97,157)
Closing Defined benefit obligation	27,65,256	28,74,139

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

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Opening fair value of the plan asset	Nil	Nil
Expected return	Nil	Nil
Contribution by employer	6,41,952	Nil
Benefits paid	-6,41,952	Nil
Actuarial gains/(losses) on obligation	Nil	Nil
Closing fair value of the plan asset	Nil	Nil

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

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Discount rate	6.84%	8%
Expected rate of salary increase	4%	4%

36. The company had given Stock under Cancellable operating lease. The rental income under such operating lease during the year is Rs.1,18,54,572.

37.

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, 2017 is NIL (March 31, 2016 - NIL)

b. Unhedged foreign currency exposures:

Foreign currency exposure as on March 31, 2017 is NIL (March 31, 2016 NIL). Hence foreign currency exposure that are not Hedged by a derivative instruments as otherwise is NIL (March 31, 2016 NIL)

38. Contingent Liabilities

Particulars	2016-17	2015-16
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	12,850,479
3. Indirect Tax Payables pending under dispute	1,341,474	1,341,474
Total	2,51,11,674	2,51,11,674

39. 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.
40. As at March 31, 2017, the Company has accumulated losses of Rs.96,15,536. The company has significant trade receivables amounting to Rs.8,78,74,568 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

41. Disclosure on Specified Bank Notes (SBN's):-

During the year the company had specified bank notes or other denomination as defined in the MCA notification, G.SR. 308(E), dated March 31, 2017 the details of SBN's held and transacted during the period from November 08, 2016 to December 30, 2016, the details are as follows:-

(Amount in Rupees)

Particulars	SBN's	Other Denomination notes	Total
Closing cash in hand as on November 08, 2016	12,000	60,505	72,505
Add: Permitted receipts		4,06,074	4,06,074
Less: Permitted Payments		2,83,567	(2,83,567)
Less: amount deposited in banks	12,000		(12,000)
Closing cash in hand as on December 30, 2016	0	1,83,012	1,83,012

42. Previous period figures are regrouped or reclassified, wherever necessary, to confirm 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, 2017

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

Sd/-
R C Bhavuk
DIN:00203636
Managing Director

Sd/-
Sowmya BS
Company Secretary
M.No. 25273

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]

<p>THAKRAL SERVICES (INDIA) LIMITED</p> <p>CIN: L70101KA1983PLC005140</p> <p>Registered Office : 8TH FLOOR, 'THE ESTATE', 121, DICKENSON ROAD, BENGALURU - 560 042</p> <p>Ph:080-25593891/25593892 E-mail: tsil@thakral-india.co.in</p>
--

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.....

.....

as my/our proxy to attend and vote (on a poll) for me/us and my/or behalf on Thursday, the 28th September, 2017 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
	ORDINARY BUSINESS		
1.	Adoption of the audited Balance Sheet as on 31.03.2017 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 Mrs. Prasanna Panicker as a Director of the Company.		
3.	Appointment of Auditors and fixing their remuneration.		
	SPECIAL BUSINESS		
4.	Re-appointment of Mr. R C Bhavuk as Managing Director of the Company		

Signed thisday of.....2017.

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.

THAKRAL SERVICES (INDIA) LIMITED

Ground Floor, Golden Millennium,
No. 69/1, Millers Road, Bengaluru - 560 052
CIN: L70101KA1983PLC005140