

# **THAKRAL SERVICES (INDIA) LIMITED**

**(Formerly Primeast Investments Limited)**



## **TWENTY SIXTH ANNUAL REPORT**

**2008 - 2009**

**CERTIFIED TRUE COPY**

**For Thakral Services (India) Limited**

A handwritten signature in black ink, appearing to read 'R. S. Rao', is written over a horizontal line.

**Managing Director**

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

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For Managerial Services (India) Limited

Managing Director

**THAKRAL SERVICES (INDIA) LIMITED**

**Board of Directors**

Shri. BIKRAMJIT SINGH THAKRAL

Shri. C D P RAJENDRAN

Shri. P BALAKRISHNA SHETTY (Chairman)

Shri. JOSEPH SEQUEIRA

Shri. KANWALJEET SINGH BAWA

Shri. R.C.BHAVUK- Managing Director

**Bankers**

AXIS BANK

INDIAN OVERSEAS BANK

**Auditors**

M/S. BRAHMAYYA & CO.

Chartered Accountants, Bangalore.

**Registered Office**

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

**NOTICE**

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of THAKRAL SERVICES (INDIA) LIMITED (formerly Primeast Investments Ltd) will be held on Wednesday, the 30<sup>th</sup> September, 2009 at 10.00 a.m. at Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore – 560 001 (Opposite to HSBC Bank, Near ING Vysya Bank – Corporate office) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on 31.3.2009 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 Chennoth Divakara Prabhu Rajendran who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Kanwaljeet Singh Bawa who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as may be agreed with the Board of Directors.

**BY ORDER OF THE BOARD****Regd. Office**

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

**MANAGING DIRECTOR**

Place: BANGALORE

Date: 31.08.2009

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxy forms duly completed in all respects shall be lodged with the Company at least 48 hours before the time fixed for the meeting. The proxy form is annexed at the end of this report.
2. Members are requested to address all correspondence regarding De-mat, Share Transfers, Certificate Endorsement, Change of Address and other General Queries, to our Registrar M/s. Alpha Systems Pvt Ltd, No.30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleshwaram, Bangalore – PIN – 560 003.
3. The Proxies and Members are requested to bring their attendance slip, annexed at the end of this report, to the meeting and sign at the entrance of the venue.
4. The Register of Members and Share Transfer books shall remain closed from Wednesday, the 23<sup>rd</sup> September, 2009 to Wednesday, the 30<sup>th</sup> September, 2009 (both days inclusive)

**BY ORDER OF THE BOARD OF DIRECTORS****Regd. Office**

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

**MANAGING DIRECTOR**

Place: BANGALORE

Date: 31.08.2009

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

**Item No.2:**

- |   |   |
|---|---|
| 1) Name:  | Mr. Chennoth Divakara Prabhu Rajendran  |
| 2) Date of Birth:   | 04.09.1952  |
| 3) Expertise:   | Finance and Corporate Management Experience<br>Spanning over 3 decades:                                   |
| 4) List of Companies in which<br>outside directorship held as on<br>31.08.2009  | M/s.Raffles Solutions Pvt Ltd<br>M/s.Asiatric Steel Industries Ltd<br>M/s.Netizen Infotek (India) Pvt Ltd |
| 5) Chairman ( C ) / Member (M) of the<br>Committee of the Board of the<br>Companies on which he is a<br>Director as on 31.08.2009 | ----- NIL -----   |

**Item No.3:**

- |  |  |
|--|--|
| 1) Name:   | Mr. Kanwaljeet Singh Bawa  |
| 2) Date of Birth:  | 20.11.1964   |
| 3) Expertise:  | Expertise in Financial Management & Control, Taxation<br>and Corporate Secretarial matters spanning over 2<br>decades.   |
| 4) List of Companies in which<br>outside directorship held as on<br>31.08.2009 | M/s. Bhagwan Developments Pvt. Ltd.,<br>M/s. Carew Developments Pvt. Ltd.,<br>M/s. Jagbir Developments Pvt. Ltd.,<br>M/s. Khazina Developments Pvt. Ltd.,<br>M/s. Minnow Trading Co. Pvt. Ltd.,<br>M/s. Normandy Developments Pvt. Ltd.,<br>M/s. Normandy Investments Pvt. Ltd.,<br>M/s. Parjat Developments Pvt. Ltd.,<br>M/s. Raaya Developments Pvt. Ltd.,<br>M/s. Raffles Solutions Pvt. Ltd.,<br>M/s. Sovereign Investments Pvt. Ltd.,<br>M/s. Thakral Computers Pvt. Ltd.,<br>M/s. Westminster Developments Pvt. Ltd.,<br>M/s. Zarina Developments Pvt. Ltd.,<br>M/s. Glade Trading Company Pvt. Ltd.<br>M/s. Paramount Video Pvt. Ltd.<br>M/s. Trust Leasing and Finance Pvt. Ltd.<br>M/s. Raffles Pharmaceuticals Pvt. Ltd.<br>M/s. Future World (India) Pvt. Ltd. |

5) Chairman (c) / Member (M) of the :  
Committee of the Board of the  
Companies on which he is a  
Director as on 31.08.2009

Audit Committee

M/s.Thakral Services (India) Ltd - M

Remuneration committee

M/s.Thakral Services (India) Ltd - M

Share Transfer Committee

M/s.Thakral services (India) Ltd - M

Shareholders' Grievance Committee

M/s.Thakral Services (India) Ltd - C

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report along with the Audited Accounts for the year ended 31.03.2009

#### FINANCIAL RESULTS :

Rs. in Lakhs

	31.03.2009	31.03.2008
Income from Business	1337.64	994.76
Gross Income	1337.64	994.76
Less: Operational Expenses	1244.13	959.44
Profit/(Loss) Before Depreciation and Provisions	93.51	35.32
Depreciation	4.67	3.44
Profit/(Loss) Before Provisions	88.84	31.88
Provisions	0.00	0.00
Profit/(Loss) after Provisions	88.84	31.88
Fringe Benefit Tax	2.24	0.89
Profit/(Loss) for the Year	86.60	30.99
Extra Ordinary Item	(561.92)	0.00
Profit/(Loss) after Extra Ordinary Item	(475.32)	30.99
Add: (Loss) brought forward from previous year	(392.00)	(422.99)
Total Loss carried to Balance Sheet	(867.32)	(392.00)

#### OPERATIONS:

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

The Organisation carries the vision of becoming one of the leading Electronic security players in India by the end of the Financial Year 2010.

#### **DIVIDENDS:**

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

#### **CAPITAL:**

The present paid-up capital of the Company is Rs.11.73 Crores. The present authorised capital of the Company is Rs.13 Crores, which was increased from Rs.12.50 Crores at the 20<sup>th</sup> Annual General Meeting of the Company. The shares of the Company have been admitted for De-materialisation and the International Securities Identification Number (ISIN) of the equity share of the Company is INE190F01010.

#### **LISTING PARTICULARS**

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

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

#### **DIRECTORS:**

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

#### **AUDITORS:**

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

#### **EMPLOYEES:**

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

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

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

##### Foreign Exchange Earnings and Outgo

	2008-09 (Rs. Lacs)	2007-08 (Rs. Lacs)
i. Foreign exchange earned	136.93	54.14
ii Foreign exchange used	2.26	0.77
iii Foreign exchange used for import of Capital Goods, Raw Materials etc.	371.33	183.60
iv. Foreign exchange for export of goods	60.64	NIL

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE:**

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

**ACKNOWLEDGMENTS:**

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

**ON BEHALF OF THE BOARD OF DIRECTORS**

Place : BANGALORE

Date : 31.08.2009

**CHAIRMAN**

## CORPORATE GOVERNANCE REPORT

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

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

### 2. Board of Directors

#### i) Composition

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

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

The Non-executive Directors and independent Directors have no material pecuniary relationship or transaction vis-à-vis your Company in their personal capacity during the year.

#### ii) Participation and Interest of Directors:

Since the commencement of the financial year 2008-2009, a total of 6 Board meetings were held on the following dates viz. 29.04.2008, 28.07.2008, 28.08.2008, 20.09.2008, 31.10.2008 and 31.01.2009. The maximum time gap between two board meetings was not more than four calendar months. The following table gives details of participation in Board Meetings and Annual General Meetings of your Company and interests of directors in other Companies.

Directors	Participation of Directors		Interests of Directors		
	Board Meeting	Last AGM	Other Director-ships	Committee Memberships	Committee Chairmanships
Mr. R.C. Bhavuk	06	Yes	18	1	Nil
Mr. K. S. Bawa	06	Yes	19	2	1
Mr. C D P Rajendran	Nil	No	3	Nil	Nil
Dr. P Balakrishna Shetty	06	Yes	Nil	Nil	2
Mr. Joseph Sequeira	05	Yes	Nil	2	Nil
Mr. Bikramjit Singh Thakral	NIL	No	Nil	Nil	Nil

**3. Audit Committee:****i) Constitution and Composition of the Audit Committee**

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

The Audit committee consists of three Directors as under:

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

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

<u>Date</u>	<u>Directors attended</u>
22.04.2008	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira
26.07.2008	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira
29.10.2008	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira
28.01.2009	Dr. P B Shetty, Mr. K S Bawa & Mr. Joseph Sequeira

**iii) Terms of Reference**

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

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