

THAKRAL SERVICES (INDIA) LIMITED



TWENTY SEVENTH ANNUAL REPORT

2009 - 2010

8TH FLOOR, 'THE ESTATE', 121, DICKENSON ROAD, BANGALORE – 560 042

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THAKRAL SERVICES (INDIA) LIMITED

Board of Directors	Shri. P BALAKRISHNA SHETTY (Chairman) Shri. BIKRAMJIT SINGH THAKRAL Shri. C D P RAJENDRAN Shri. JOSEPH SEQUEIRA Shri. KANWALJEET SINGH BAWA Shri. R.C.BHAVUK- Managing Director
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Bankers	CANARA BANK
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Auditors	M/S. BRAHMAYYA & CO. Chartered Accountants, Bangalore.
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Registered Office	8 TH FLOOR, 'THE ESTATE', 121, DICKENSON ROAD, BANGALORE - 560 042
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NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of THAKRAL SERVICES (INDIA) LIMITED will be held on Thursday, the 30th September, 2010 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 31.3.2010 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.Bikramjit Singh Thakral who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr.Joseph Sequeira 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.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modifications the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT as there is no much activity in trading of shares at Bangalore Stock exchange the shares may be delisted at Bangalore Stock Exchange. Share holders permission is required to delist the shares at Bangalore Stock Exchange.

"RESOLVED FURTHER THAT the Board of Directors of the Company including such other person(s) as may be authorized by it in this regard, be and are hereby authorized to take necessary action, to give effect to the above resolution."

6. Resolution to be passed for Reduction of Capital

To consider and if thought fit to pass with or without modifications the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article 69 of the Articles of Association of the Company and subject to confirmation of the Karnataka High Court or any other competent authority as may be specified in this regard, the issued, subscribed and paid up equity capital of the Company of Rs.11,73,50,800/- (Rupees Eleven Crores Seventy Three Lakhs Fifty Thousand Eight Hundred Only) divided into 1,17,35,080 (One Crore seventeen lakhs thirty five thousand and eighty) equity shares of Rs.10/- (Rupees ten only) each fully paid, be reduced to Rs.3,52,05,240 divided into 11735080 equity shares of Rs.3/- (Rupees Three only) each fully paid, by canceling Rs.7/- (Rupees Seven only) per equity share from the face value of Rs.10/- each . An amount of Rs.8,11,45,642/- (Rupees Eight Crores Eleven Lakhs Forty Five Thousand Six Hundred and Forty Two only) being accumulated losses of the Company as on 31.3.2010 has been setoff from paid up capital and the balance amount of Rs.9,99,918/- be transferred to the Capital Reserve account."

"RESOLVED FURTHER THAT the Board of Directors of the Company including such other person (s) as may be authorized by the Board of Directors, in this regard, be and are hereby authorized to take necessary action, including making necessary application to High Court or any other competent authority as may be specified in this regard and for following the directions, if any, given by the High Court or any other competent authority as may be specified in this regard, for effecting the reduction of capital in the manner mentioned above"

7. Resolution to be passed for amending the Authorised Capital in the MOA :

To consider and if thought fit to pass with or without modifications the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 and Article 70 of the Articles of Association of the Company, the Authorized share capital of the Company of Rs.13,00,00,000/- (Rupees Thirteen Crores Only) consisting of 1,30,00,000 (One Crore thirty lakhs) equity shares of Rs.10/- (Rupees ten only) each be and is hereby increased to Rs.13,00,20,000/- (Rupees Thirteen Crore Twenty Thousand only) by creation of additional 2,000(two thousand) equity shares of Rs.10/- each and the Authorized capital simultaneously sub-divided into 4,33,40,000 (four crore thirty three lakhs forty thousand) Equity shares of Rs.3/- (Rupees Three only) each to give effect to the reduction of capital and clause V of the Memorandum of Association of the Company be substituted by the following:

"The authorized share capital of the Company is Rs.13,00,20,000/- (Rupees Thirteen Crores Twenty Thousand Only) divided into 4,33,40,000(four crore thirty three lakhs forty thousand) Equity shares of Rs.3/- (Rupees Three only) each."

"RESOLVED FURTHER THAT the Board of Directors of the Company including such other person(s) as may be authorized by it in this regard, be and are hereby authorized to take necessary action, to give effect to the above resolution."

8. Resolution to be passed for amending the Authorised Capital in the AOA :

To consider and if thought fit to pass with or without modifications the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 Article 5 of the Articles of Association of the Company be substituted as follows:

"5. The Authorized Share Capital of the Company and its division shall be as contained and detailed in Clause V of the Memorandum of Association of the Company

"RESOLVED FURTHER THAT the Board of Directors of the Company including such other person (s) as may be authorized by the Board in this regard, be and are hereby authorized to take necessary action, to give effect to the above resolution."

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

BY ORDER OF THE BOARD

MANAGING DIRECTOR

Place: BANGALORE
Date: 27.08.2010

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, 4th 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 Thursday, the 23rd September, 2010 to Thursday, the 30th September, 2010(both days inclusive)

EXPLANATORY STATEMENT PURSUANT TO
SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO : 5

- (i) The Companies Shares are listed in Bombay Stock Exchange and Bangalore Stock Exchange. There is no much trading activity of Shares in Bangalore Stock Exchange. The shares are available for trading at Bombay Stock Exchange. Hence the Shares in Bangalore Stock Exchange can be delisted.
- (ii) The Board of Directors of your Company recommends the resolution for your consideration and approval.
- (iii) None of the Directors are in any way interested or concerned in the said resolution.

ITEM NOS: 6, 7 & 8

- (i) The shareholders are aware that the Company has over the years been suffering losses and the accumulated losses as at 31.3.2010 is to the order of Rs.8,11,45,642/-. By virtue of such accumulated losses the share capital account in the balance sheet is not represented by available assets. Hence it is proposed to reduce the paid up capital of the Company from Rs.11,73,50,800/-(Rupees Eleven crores Seventy Three Lakhs Fifty Thousand Eight Hundred Only) to Rs.3,52,05,240/-(Rupees Three Crores Fifty Two Lakhs Five Thousand Two Hundred and Forty Only) and set off accumulated losses of Rs.8,11,45,642/-(Rupees Eight Crores Eleven Lakhs Forty Five Thousand Six Hundred and Forty Two Only) against the Paid-up Capital of the Company as on 31.3.2010 and the balance amount of Rs.9,99,918/- (Rupees Nine Lakhs Ninety Nine Thousand Nine Hundred and Eighteen Only) be transferred to the Capital Reserve account. The proposed reduction of share capital is to reflect the true financial position of the Company and thereby enable the Company to present a better picture when approaching public financial institution or investing public for infusion of funds either in the form of loan or equity. Such reduction of the share capital account requires approval of the shareholders by means of a special resolution and if approved further requires the confirmation of the High Court before giving effect to the proposal. There is no outflow of funds and neither the shareholders nor the creditors of the Company will be affected in any manner whatsoever. The Board of Directors of the Company is of the opinion that reduction of share capital account will be in the interests of the Company. Hence resolution No. 1 set out in the Notice above.
- (ii) The proposed reorganization of the authorized share capital and the alteration to Clause V of the Memorandum of Association of the Company and Article 5 of the Articles of Association of the Company is consequential to the paid up value of each share being reduced to Rs.3/-. Hence resolution Nos. 1 & 2 set out in the Notice above.
- (iii) Your Directors recommend the resolution for your approval.
 - (iv) The Directors of your Company may be deemed to be concerned or interested to the extent of the shares that may be subscribed to by them or their relatives or by the entities of which they or their relatives are Directors or Members

BY ORDER OF THE BOARD OF DIRECTORS

Regd.Office
8th Floor, 'The Estate',
121, Dickenson Road,
Bangalore-560042

MANAGING DIRECTOR

Place: BANGALORE
Date:27.08.2010

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

Item No.2:

1) Name:	Mr. Bikramjit Singh Thakral
2) Date of Birth:	09.11.1975
3) Expertise:	Six years of experience in Management
4) List of Companies in which outside directorship held as on	NIL
5) Chairman © / Member (M) of the : Committee of the Board of the Companies on which he is a Director as on 27.08.2010	NIL

Item No.3:

1) Name:	Mr. Joseph Sequeira
2) Date of Birth:	03.04.1945
3) Expertise:	Banking and Finance Experience for over 3 decades
4) List of Companies in which outside directorship held as on	NIL
5) Chairman (C) / Member (M) of the Committee of the Board of the Companies on which he is a Director as on 27.08.2010	Audit committee - M/s.Thakral Services (India) Ltd (M) Remuneration Committee - M/s.Thakral Services (India) Ltd (M)

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Seventh Annual Report along with the Audited Accounts for the year ended 31.03.2010

FINANCIAL RESULTS:

	Rs. in lakhs	
	31.03.2010	31.03.2009
Income from Business	1584.46	1337.64
Gross Income	1584.46	1337.64
Less: Operational Expenses	1518.67	1244.13
Profit/(Loss) Before Depreciation and Provisions	65.79	93.51
Depreciation	5.80	4.67
Profit/(Loss) Before Provisions	59.99	88.84
Provisions	0.00	0.00
Profit/(Loss) after Provisions	59.99	88.84
Fringe Benefit Tax / Income Tax	4.13	2.24
Profit/(Loss) for the Year	55.86	86.60
Extra Ordinary Item	0.00	(561.92)
Profit/(Loss) after Extra Ordinary Item	55.86	(475.32)
Add: (Loss) brought forward from previous year	(867.32)	(392.00)
Total Loss carried to Balance Sheet	(811.46)	(867.32)

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 2011

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 20th 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.Bikramjit Singh Thakral and Mr.Joseph Sequeira 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

	2009-10 (Rs. Lacs)	2008-09 (Rs. Lacs)
i. Foreign exchange earned	129.74	136.93
ii Foreign exchange used	2.74	2.26
iii Foreign exchange used for import of Capital Goods, Raw Materials etc.	489.46	371.33
iv. Foreign exchange for export of goods	21.42	60.64

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 : 27.08.2010

CHAIRMAN

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Corporate Governance:

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

2. Board of Directors

i) Composition

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

Name of Director	Category
Dr. P Balakrishna Shetty	Independent Director , Chairman
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
Mr. Joseph Sequeira	Independent Director

ii) What constitutes independence of Directors :

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

iii) Details of Memberships of the Directors in other Boards and in Board committees as on 31st March, 2010 are as under :

Name of Director	Directorship in other Companies	Details of Committee	
		Member	Chairman
Mr. R.C. Bhavuk	18	1	Nil
Mr. K. S. Bawa	19	2	1
Mr. C D P Rajendran	3	Nil	Nil
Dr. P Balakrishna Shetty	Nil	Nil	2
Mr. Joseph Sequeira	Nil	2	Nil
Mr. Bikramjit Singh Thakral	Nil	Nil	Nil