

THAKRAL SERVICES (INDIA) LIMITED

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Corporate Governance:

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

2. Board of Directors

i) Composition

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

Name of Director	Category
Mr. K R Vijayendra	Independent Director
Mr. R.C. Bhavuk	Managing Director, Executive
Mr. K.S. Bawa	Non-Executive, Director
Mr. Bikramjit 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, 2013 are as under :

Name of Director	Directorship in other Companies	Details of Committee	
		Member	Chairman
Mr. R.C. Bhavuk	17	1	Nil
Mr. K. S. Bawa	18	3	1
Mr. C D P Rajendran	3	Nil	Nil
Mr. K R Vijayendra	1	Nil	2
Mr. Joseph Sequeira	Nil	2	1
Mr. Bikramjit Singh Thakral	Nil	Nil	Nil

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iv) Board Procedure:

Number of Board Meetings held and the dates on which held

Since the commencement of the financial year 2012-2013, a total of 4 Board meetings were held on the following dates viz. 29.05.2012, 13.08.2012, 14.11.2012 and 09.02.2013. The maximum time gap between two board meetings was not more than four calendar months.

Attendance of Directors:

The following table gives details of participation in Board Meetings and Annual General Meetings of your Company and interests of directors in other Companies

Name of Director	Meetings		Attendance at last AGM held on 30 th September, 2012
	Held	Attended	
Mr. R.C. Bhavuk	4	4	Yes
Mr. K. S. Bawa	4	4	Yes
Mr. C D P Rajendran	4	Nil	No
Mr. K R Vijayendra	4	4	No
Mr. Joseph Sequeira	4	4	Yes
Mr. Bikramjit Singh Thakral	4	NIL	No

Circulation of Information and Board material:

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the relevant papers for the Board Meeting are circulated in advance to facilitate the Board members to take informed decision. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. However, in case of urgent business need the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting.

v) Disclosure regarding appointment/re-appointment of Directors :

Mr.Kanwaljeet Singh Bawa and Mr.C D P Rajendran are Directors retiring at the ensuing Annual General Meeting being eligible offers themselves for re-appointment.

3. Audit Committee:

i) Constitution and Composition of the Audit Committee.

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

The Audit committee consists of three Directors as under:

- 1) Mr. K.S. Bawa (Non- Executive Director) – Member

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- | | | |
|------------------------|------------------------|------------|
| 2) Mr. Joseph Sequeira | (Independent Director) | - Chairman |
| 3) Mr. K R Vijayendra | (Independent Director) | - Member |

ii) Audit Committee meeting and Directors Attended.

The Committee met four times during the year 2012-13 i.e on 28.05.2012, 11.08.2012, 10.11.2012 and 08.02.2013. Mr.K S Bawa and Mr.Joseph Sequeria attended all the meetings.

iii) Terms of Reference

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

a) Overseeing your Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

c) Reviewing with management, the quarterly and annual financial statements before submission to the board, focusing primarily on:

- i) Any change in accounting policies and practices
- ii) Major accounting entries based on exercise of judgment by management.
- iii) Qualification in draft audit report.
- iv) Significant adjustments arising out of audit.
- v) The going concern assumption.
- vi) Compliance with accounting standards.
- vii) Compliance with stock exchange and legal requirements concerning financial statements and other terms of references as required under Companies act, 1956 and listing agreement.

4. Remuneration Committee

i) Remuneration Policy

The Remuneration Committee determines and recommends to the Board the compensation payable to the Directors. All Board-level compensation is approved by shareholders, and separately disclosed in the financial statements.

The Remuneration Committee makes an annual appraisal of the performance of the Executive Director(s) based on a performance-related matrix. The annual compensation of the Executive Directors(s) is approved by the Remuneration Committee, within the parameters set by the shareholders at the shareholders' meetings.

Remuneration payable to each of the Independent Directors by way of sitting fee is limited to a fixed amount per year as determined and approved by the Board, subject to the limit approved by members of the Company in general meeting and calculated as per the provisions of the Companies Act, 1956.

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ii) Terms of reference of Remuneration Committee

The remuneration committee may also make recommendations to the Board with respect to incentive compensation plans, remuneration of Non Executive Directors, shall review and reassess the adequacy of this charter annually and recommend any proposed change to the Board for its approval and annually review its own performance.

iii) Constitution and Composition of the Remuneration Committee

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

The Remuneration committee consists of three Non-Executive Directors as under:

- | | |
|------------------------|------------|
| 1) Mr. Joseph Sequeira | - Member |
| 2) Mr. K.S. Bawa | - Member |
| 3) Mr. K.R. Vijayendra | - Chairman |

5. Shareholders' Grievance Committee:

i) Constitution of Committee

In pursuance to the Listing Agreement with Stock Exchange(s), the Board had constituted the Shareholders' grievance committee.

ii) Composition of the Committee:

The Grievance committee consists of three Directors as under:

- | | |
|------------------------|------------|
| 1) Mr. K.S. Bawa | - Member |
| 2) Mr. R.C. Bhavuk | - Member |
| 3) Mr. K.R. Vijayendra | - Chairman |

iii) Compliance Officer:

Name and Designation of: Mr.Vasu Srinivasan – Company Secretary.
Compliance Officer

iv) Shareholders' Complaints:

The company has received complaints from the shareholders and all complaints were resolved to the satisfaction of shareholders and there is no pending complaints with the Company.

6. Information on General Meetings

The last 3 Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue	Whether special resolution passed
2011-12	28.09.2012	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore - 560 001	No
2010-11	30.09.2011	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore - 560 001	YES

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2009-10	30.09.2010	10.00 A.M	Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bangalore - 560 001	YES
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Note :

- 1) Special resolution was passed at AGM held on 30.09.2010 for reduction of the capital by reducing the face value of shares of Rs.10/-each to Rs.3/-each.
- 2) Special resolution was passed at AGM held on 30.09.2010 for increasing the authorized capital to Rs.13,00,20,000/-.
- 3) Special resolution was passed at AGM held on 30.09.2011 for appointment of Managing Director.

7. Disclosures

- i) There was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Details of related party transactions are disclosed under notes on account, given elsewhere in this report.
- ii) There was no non-compliance by the Company relating to SEBI, Stock exchange, other statutory authorities and requirements relating to capital markets, during the last three years.

8. Means of Communication

Quarterly Results are published in two newspapers i.e. Business Standard (English) and Sanjevani (Vernacular language newspaper). The same is displayed in official website of Bombay Stock Exchange (www.bseindia.com).

9. GENERAL SHARE HOLDERS' INFORMATION

i. Annual General Meeting

Date : 30.09.2013
Day : Monday
Time : 10 AM
Venue : Rohini Hall, Hotel Ajantha, 22-A, M.G.Road, Bengaluru - 560 001
(Opposite to HSBC Bank, Near ING Vysya Bank Corporate Office)

ii. Financial Calendar

The financial year of the Company is for a period of 12 months from 1st April 2013 to 31st March 2014.

First Quarter results : by end of July'2013
Second Quarter results : by end of October'2013
Third Quarter results : by end of January'2014
Fourth Quarter results : by end of April'2014

iii. Book Closure

1. Date of Book Closure : 23-09-2013 to 30-09-2013
(both days inclusive)

iv. Listing on stock Exchanges

THAKRAL SERVICES (INDIA) LIMITED

a. Stock Exchange Listing: 01. Bombay Stock Exchange
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

02. Bangalore Stock Exchange
Stock Exchange Tower, No.51, 1st cross,
J.C.Road, Bengaluru - 560 027.

It is further submitted for information of shareholders that the Annual listing fees of 2013-2014 has been paid.

b. Stock Exchange Security Scrip Code: BSE - 509015 (Scrip ID: THAKRAL)

v. Market Price Data

The details of High & Low share price of equity shares of the Company during each month of the year under review are as under:-

Month	(2012-2013 BSE)	
	High Price	Low Price
Jan-13	10.00	10.00
Feb-13	28.24	10.50
Mar-13	41.50	25.00

(Data Source : www.bseindia.com)

vi. Registrar and transfer agents

M/s. Intergrated Enterprises India Ltd
(Formerly Alpha Systems Pvt. Ltd)
30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bengaluru –PIN 560 003
Tel: 080-23460815 / 16 / 17 / 18
Fax: 080-23460819

vii. Share Transfer System:

Equity shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of the document, if documents are found in order. Shares under objection are returned within two weeks. All the transfer requests are approved by the Share Transfer Committee of the Company at its various meetings held during the year under review. The Company conducts periodical audit of share transfer system and securities issued, through competent professionals.

viii. Shareholding pattern as on 31st March'2013

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Sl.No	Category	No. of Shares Held	% of Shareholding
	Holding of Promoter Group		
1.	Promoter Group	8684200	74.00
	Public Share Holding		
2.	Bodies Corporate	1476039	12.58
3.	Individuals upto one Lakh	461841	3.93
4.	Individuals above one Lakh and NRI	1113000	9.49
5.	Mutual Funds and UTI	0	0
6.	Banks, Financial Institutions, Insurance Corporation	0	0
	Total Public Shareholding	3050880	26.00
	GRAND TOTAL	11735080	100.00

ix. Distribution of shareholding as on 31st March'2013

Shares or Debenture holding of nominal value of		Share / Debenture holders		Share / Debenture Amount	
Rs.	P.	Number	% to Total	In Rs.	% to Total
	(1)	(2)	(3)	(4)	(5)
Upto	5,000	3561	96.66	3503330	2.99
5,001 -	10,000	78	2.12	566470	0.48
10,001 -	20,000	20	0.54	303500	0.26
20,001 -	30,000	9	0.24	224500	0.19
30,001 -	40,000	3	0.08	102500	0.09
40,001 -	50,000	5	0.14	236500	0.20
50,001 -	1,00,000	1	0.03	80000	0.07
1,00,001 and above		7	0.19	112334000	95.72
	TOTAL	3684	100.00	117350800	100.00

x. Dematerialization of shares :

Trading in equity shares of the Company is permitted only in the dematerialized form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to hold shares in electronic form with the depository. Out of total equity share capital of 1,17,35,080 Equity shares, 56.41% (66,19,805 equity shares) are held in dematerialized form with NSDL and 39.76% (46,66,023 equity shares) are held in dematerialized form with CDSL.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

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xi. Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act,1956 are requested to submit the prescribed Form 2B for this purpose. Shareholders may write to the Company or its Registrars and Transfer Agents for a copy of the Form.

xii. Address for Correspondence :

a. Registered Office:

8th Floor "THE ESTATE"
No.121, Dickenson Road,
Bengaluru - 560042
Telephone No: 080-25593891
Fax No: 080-25595739
Website : www.thakral-india.co.in

b. Address for Investor Correspondence

Registrar & Share Transfer Agent

M/s.Integrated Enterprises (India) Ltd
(Formerly Alpha Systems Pvt. Ltd.)
30, Ramana Residency, 4th Cross,
Sampige Road, Malleswaram, Bengaluru- 560 003
Tel: 080-23460815 / 16 / 17 / 18 Fax: 080-23460819
