

**20th Annual Report
2009-2010**

**THAPAR EXPORTS LIMITED
REGD. OFFICE : DHANDHARI KHURD, BEHIND E-638,
PHASE VII, FOCAL POINT, LUDHIANA**

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held on Friday the 31st day of December, 2010 at 10.00 A.M. at the registered office of the Company at Dhandari Khurd, Behind-638, Phase VII, Focal Point, Ludhiana to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet for the year ended 30th June, 2010 and Profit and Loss Account for the year ended on that date and other statements of account together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Chattar Singh who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

4. 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 257 and all other applicable provisions, if any, of the Companies, Act 1956 or any statutory modification or re-enactment thereof, for the time being in force and the Articles of Association of the company, Sh. Surinder Kumar, who was appointed by the board as an Additional Director of the Company on 25th May, 2010 and who holds such office up to the date of forthcoming Annual general Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board
For THAPAR EXPORTS LIMITED

PLACE : LUDHIANA
DATE : 03/12/2010

sd/- (SURINDER SINGH) (CHATTAR SINGH)
DIRECTOR DIRECTOR

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

Sr. No. 4

Sh. Surinder Kumar was appointed as an Additional Director of the company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the company. Sh. Surinder Kumar holds the office of the Director up to the ensuing Annual General Meeting of the Company.

The company has received a notice in writing along with requisite fee from a member under Section 257 of the Companies, Act 1956 signifying his intention to propose the appointment of Sh. Surinder Kumar as a director, liable to retire by rotation. The company has also received consent in writing from Sh. Surinder Kumar to act as Director of the company, if appointed.

Accordingly, your approval is solicited for his appointment as a Director liable to retire by rotation.

NOTES

1. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company. Proxy in order to be effective, must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed.
2. The Register of members and share transfer register pursuant to the provisions of Section 154 of the Companies Act, 1956 shall remain closed from Tuesday the 28th December, 2010 to Friday 31st December, 2010 (both days inclusive).
3. The audited Balance Sheet as at 30th June, 2010 and the Profit & Loss Account for the year ended on that date along with the reports thereon of the Auditors and Directors are enclosed.
4. Members are requested to address all correspondence including share transfers directly to the company at its Regd. office at Dhandari Khurd, Behind-638, Phase VII, Focal Point, Ludhiana.
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) in advance, so as to enable the Company to keep the information ready.
6. Members are requested to bring their copies of the Annual Report as the same will not be distributed at the Annual General Meeting.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing them to attend the meeting on their behalf.

8. Re-appointment of Directors:

At the ensuing annual general meeting Sh. Chattar Singh S/o Sh. Man Singh, director will retire and being eligible offers himself for re-appointment. Sh. Chattar Singh is aged about 50 years. He is associated with the company since last seven years and is having rich business experience. His re- appointment as director will help the Board in taking decisions and will benefit the company.

By Order of the Board
For THAPAR EXPORTS LIMITED

PLACE : LUDHIANA
DATE : 03/12/2010

Sd/- Sd/-
(SURINDER SINGH) (CHATTAR SINGH)
DIRECTOR DIRECTOR

DIRECTORS' REPORT

Your Directors hereby present the Twentieth Annual Report on the Affairs of the company together with the Audited Accounts for the year Ended on 30th June, 2010.

FINANCIAL RESULTS	2009-2010	2008-2009
	(Rs.in Lacs)	(Rs.in Lacs)
Turnover & other Income	73.38	25.02
Profit/(Loss) before Depreciation	(7.51)	(8.41)
Depreciation	9.74	9.71
Net Profit/(Loss) after depreciation,	(2.23)	(18.13)

PERFORMANCE REVIEW

This year also the company incurred losses. Net loss suffered during the year is 2.23 Lac against the last years' net loss of Rs. 18.13 Lac. Although sales during the year increased but high cost of raw material, labour and increased burden of interest forced the company to suffer losses.

DIVIDEND

Keeping in view the non availability of distributable profits your directors do not recommend any dividend on equity shares.

PUBLIC DEPOSITS

During the year ended 30th June, 2010, no fresh deposits were accepted by the Company falling within the purview of Section 58 A of the Companies Act, 1956.

STATUS OF REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION.

The company has been declared sick by Appellate Authority for Industrial and Financial Reconstruction vide its letter no. 387/2001, 139/2004, 147/2004, 66/2005 and 33/2008 dated 10/02/2010 under Sick Industrial Companies (Special Provisions) Act, 1985. The State Bank of Indore, New Delhi has been appointed as operating agency and the company in consultation with operating agency is in process of preparing the Draft Rehabilitation Scheme for the company.

EXPORTS

During the year Exports Sales of the company was NIL.

CORPORATE GOVERNANCE

Your directors affirm their commitments to the Corporate Governance standard prescribed by the Regulatory Authorities. A Report on corporate governance with Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is attached.

DIRECTORS

In accordance with the provisions of the Articles of Association of the Company and the Companies Act, 1956 Sh. Chattar Singh, Director retire by rotation and being eligible offers himself for reappointment.

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, the details of directors to be appointed /re- appointed are contained in the accompanying notice of the forthcoming Annual General Meeting.

AUDITORS

M/s Vimal Dixit & Associates, Chartered Accountants holds office up to the conclusion of the forthcoming Annual General Meeting. M/s Vimal Dixit & Associates, Chartered Accountants are eligible for reappointment and the Board of Directors has recommended their appointment as statutory auditors for the year for the 2010-2011.

PARTICULARS OF EMPLOYEES

The information in respect of particulars of employees u/s 217(2A) of the Companies act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended up to date may be treated as NIL.

PARTICULARS U/s 217(I)(e)

In term of Section 217(I)(e) of the Companies Act, 1956 (as amended) read with the Companies (Disclosure of particulars of in the Report of the Board of Directors) Rules, 1988, the directors furnish herein below the required additional information:

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM 'A' OF THE ANNEXURE IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO.

	2009-10 (12 Months)	2008-2009 (12 Months)
A. POWER & FUEL CONSUMPTION		
I. Electricity		
a) Purchased units (KWH)	53382	35859
Total Amount (Rs.)	309085	163157
Rate/Per Units (Rs.)	5.79	4.55
b) Own Generation through D.G.Set		
Unit (KWII)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Rate Per Unit (Rs.)	NIL	NIL

II. TECHNOLOGY ABSORPTION

Effects made in Technology Absorption as per Form-B of the Annexure to the Rules.

1. Research & Development (R&D)

a) Specific area in which R&D carried out by the Company :

Research & Development has continuously been carried out in general for improvement in quality of existing products, development of new and improved products of production, processes for better productivity.

b) Benefits derived as a result of the ABOVE R&D:

Helped in cost reduction to some extent.

c) Future Plan of Action:

Development of new and improved products for better productivity, efficiency in production and reduction in cost per tone are planned.

d) Expenditure on R & D:	(Rs.in Lacs)
Capital	Nil
Recurring	Nil
Total R&D Expenditure as a percentage of total turnover	Nil

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Effects, in brief, made toward technology absorption. None

b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, production development, import substitution etc. None

c) In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished.

i) Technology Imported	Not Applicable
ii) Years of Import	Not Applicable
iii) Has technology been absorbed	Not Applicable
iv) If not fully absorbed, area, where this has not taken place reasons thereof, and future plan of action.	Not Applicable

C. FOREIGN EXCHANGE EARNING AND OUT-GO

- i) Earnings : NIL
- ii) Outgo : NIL

INDUSTRIAL RELATIONS

Your directors are pleased to inform that during the period under review, Industrial relations remained peaceful and cordial at all levels.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(AA) of Companies Act, 1956, The Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made for the same, applicable accounting standards have followed and that no material departures have been made for the same.
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the company at the end of the financial year and of the profit & loss account of the company for the year.
- c) That they have taken proper & sufficient care for maintenance of adequate accounting records in accordance with the provisions of Company Act, 1956 for safe guarding the assets of the company and for preventing & detecting fraud & other irregularities.
- d) That they have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record its sincere appreciation towards Company's valued customers for the support and the confidence reposed by them in the Company and look forward to the continuance of this mutually supportive relationship in future. Your directors acknowledge the contribution made by all stakeholders and support extended by its Bankers/Lenders. Lastly, the directors take on record the valued contribution of all its staff members during the year.

By order of the Board
For THAPAR EXPORTS LIMITED

Sd/-	Sd/-
(SURINDER SINGH)	(CHATTAR SINGH)
DIRECTOR	DIRECTOR

PLACE : LUDHIANA
DATED : 03/12/2010

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMY AND BUSINESS ENVIRONMENT

The Textile industry is one of the flourishing sectors of the Indian Economy. The role of textile industry in India GDP has been quite beneficial in the economic life of the country. The worldwide trade of textiles and clothing has boosted up the GDP of India to a great extent as this sector has brought in a huge amount of revenue in the country.

OPPORTUNITIES AND CONCERNS

Indian textile industry is as old as the word textile itself. This industry holds a significant position in India by providing the most basic need of Indians. Starting from the procurement of raw materials to the final production stage of the actual textile, the Indian textile industry works on an independent basis. However, some of the main concerns for the industry are :

1. Non availability of cheap and productive man power.
2. Due to inability to generate economies of scale, the industry is unable to balance demand supply equation.
3. Lack of technology up gradation
4. There are high Costs like, High Indirect Taxes, Power and Interest Rates.
5. Inadequate Research & Development.

RISKS AND MANAGEMENT PERCEPTION

Evidently certain imminent risks are necessary part and parcel of each business and risk taking is very essential for business growth. However, negative impact of business risk has to be managed through effective risk management both at policy formulation and implementation levels. Your management is always alert on the impending risks and is prepared with solutions in adverse situations.

OUTLOOK

Despite the adverse conditions, the company has been able to achieve the improved performance and is hopeful to meet the challenges with a number of new initiatives, which are yielding good results. The Company's strategic objective is to capitalize on the growth opportunities that it believes are available in the industry, at the same time the company recognizes the competitive nature of the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system provides for safeguarding of assets, proper recording of transactions, and the efficient and effective accomplishment of the unit's and university's goals and objectives including compliance with federal, state, and university rules and regulations. Your management is very active on this front and ensures that there are adequate internal control systems being implemented in the organization.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The company has been adopting methods and practices for Human Resources Development. With utmost respect to human values, the Company served its human resources with integrity, through a variety of services by using appropriate training, motivation techniques and employee welfare activities.

Industrial relations are cordial and satisfactory.

CAUTIONARY STATEMENT

Though the statement and views expressed in the above said report are on the basis of best judgement but the actual future results may differ from whatever is stated in the report.

CORPORATE GOVERNANCE REPORT

Your company has always believed in the concept of corporate governance involving transparency, independence, accountability, responsibility and fairness with a view to enhance stakeholders value. Towards this end, adequate steps have been taken to ensure that all mandatory provisions of the Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) and applicable to the company through listing agreement are complied with in its true spirit.

1. BOARD OF DIRECTORS

The business of the company is managed by the Board of Directors. The total strength of the Board is four non executive independent directors as on 30th June, 2010. None of the directors on the Board holds office in more than 15 companies or memberships in committees of the Board in more than 10 Committees or Chairmanship of more than 5 such Committees.

(a) Board Meetings:

During the year ended on 30th June, 2010 fifteen Board meetings were held on 29.07.2009, 10.08.2009, 16.09.2009, 30.10.2009, 03.12.2009, 05.12.2009, 31.12.2009, 25.01.2010, 29.01.2010, 03.02.2010, 31.03.2010, 30.04.2010, 25.05.2010, 02.06.2010 and 26.06.2010.

(b) Composition & category and no. of meeting attended by the directors:

Details of Board meetings attended by the directors:

Name	Designation	Category	No. of Board Meetings Attended.
Sh.Chattar Singh	Director	Non- Executive Independent Director	10
Sh. Manjit singh Gill	Director	Non Executive Independent Director	10
Sh. Rattan Chand	Director	Non Executive Independent Director	10
Sh. Surinder Singh	Director	Non-Executive Independent Director	1

- i. None of the Independent Directors have any material pecuniary relationship of transactions with the Company.
- ii. Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

2. COMMITTEES OF THE BOARD:

1. Audit Committee

(Constitution of committee as on 30.06.2010)

Members:

Sh. Chattar Singh	Chairman
Sh. Manjit Singh Gill	Member
Sh. Rattan Chand	Member

The Audit Committee oversees financial reporting process and disclosures, reviews annual financial statements, management discussion and analysis of financial conditions and result of operation, review adequacy of internal audit function, related party transactions, review financial and risk management policies, to look into the reasons for substantial defaults in the payment to the concerned parties, oversee compliance with stock exchanges and legal requirements concerning financial statements, review auditors qualifications(draft), compliance with Accounting Standards, recommending the appointment of external auditor, fixation of audit fee and also approval for the payment of any other services etc.

During the year ended on 30th June 2010, five meetings of Audit Committee were held on 29.07.2009, 30.10.2009, 03.12.2009, 29.01.2010 and 30.04.2010. The attendance record of members of the Audit Committee is as under:

Name of Director	No. of Audit Committee meetings attended
Sh. Chattar Singh	5
Sh. Manjit Singh Gill	5
Sh. Rattan Chand	5

2. Shareholders Grievance Committee

Constitution of Committee as on 30.06.2010

Sh. Chattar Singh	(Chairman)
Sh. Manjit Singh Gill	(Member)
Sh. Rattan Chand	(Member)

The Committee reviews redressing of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet, Non- receipt of dividend warrants etc. besides complaints from SEBI, Stock Exchanges, Court and various Investor forums.

During the financial year no meeting of this committee was held, there being no investor complaint.

3. Remuneration Committee

Constitution of Committee as on 30.06.2010

Sh. Chattar Singh	(Chairman)
Sh. Manjit Singh Gill	(Member)
Sh. Rattan Chand	(Member)

The Remuneration Committee has been constituted to recommend/review the remuneration policies in consonance with the existing industry practice and also with the provisions of the Companies Act, 1956.

No remuneration had been paid to the directors during the financial year ended on 30th June, 2010.

3. GENERAL BODY MEETINGS:

1) Annual General Meetings

The details of last three Annual General Meetings are given as follows :

31.12.2007	17 th	Dhandari Khurd, Behind-638, Phase VII, Focal Point, Ludhiana
31.12.2008	18 th	Dhandari Khurd, Behind-638, Phase VII, Focal Point, Ludhiana
31.12.2009	19 th	Dhandari Khurd, Behind -638, Phase VII, Focal Point, Ludhiana.

The company has not passed any resolution through postal ballot during the financial year 2009-2010.

b) Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year ended on 30th June, 2010.

4. DISCLOSURES.

1. There was no material significant transaction with the director(s) or the Management, their subsidiaries or relatives, etc. that have any potential conflict with the interest of the company at large. Since the company is a sick company as defined under the provisions of SICA the company was unable to pay listing fee of stock exchanges for the year ended on 30th June, 2010.

2. (i) Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock exchanges.

(ii) The Company has set up a Remuneration Committee of the Board of Directors, details of which have been provided in Item 2(3).

In compliance with the SEBI regulation on prevention of insider trading, the Company has prescribed a Code of Internal Procedures & Conduct for Prevention of Insider Trading. The code, inter alia, prohibits purchase/sale of shares of the Company by Directors/employees while in possession of unpublished price sensitive information in relation to the Company.

5. MEANS OF COMMUNICATION

The Company's quarterly results, in the format prescribed by the Stock Exchanges, are approved and taken on record by the Board within the prescribed time frame and sent immediately to all Stock Exchanges on which the Company's shares are listed.

6. GENERAL SHAREHOLDERS INFORMATION :

i) 20th Annual General Meeting for the year ended on 30th June, 2010

Date : 31st December, 2010
Time : 10.00 A.M.
Venue : Regd. Office :Dhandari Khurd, Behind-638, Phase VII, Focal Point, Ludhiana

ii) Financial Calender (2010-2011) : 30th June, 2010- 31st July, 2011
(Tentative)

First Quarter Results : September, 2010

Second Quarter Results : December, 2010

Third Quarter Results : March, 2011.

Annual Results : June, 2011

iii) Dates of Book closure : Tuesday 28th Dec'10 to Friday 31st Dec'10

iv) Listing : a) The Delhi Stock Exchange Association Ltd.
b) Bombay Stock Exchange Limited
c) The LDH. Stock Exchange Association Ltd.

v) Distribution of Shareholders: As on 30th June 2010 the company has 15106 shareholders having a total number of 4800000 equity shares. The following is the distribution of shareholdings:

No of Share held	No. of Share holders	% of Shareholders	Aggregate No. of shares held	% of Share holding
Upto 5000	14990	99.23	3481440	72.53
5001-10000	75	0.50	59520	1.24
10001-20000	22	0.15	40320	0.84
20001-30000	2	0.01	4800	0.10
30001-40000	---	--	---	---
40001-50000	5	0.03	22080	0.46
50001-100000	1	0.01	10080	0.21
100001 & above	11	0.07	1181760	24.62
Total	15106	100	4800000	100

vi). The shareholding pattern as on 30th June, 2010 is given hereunder:

Category	As on 30 th June 2010		As on 30 th June 2009	
	No. of Shares	%	No. of Shares	%
Promoters/ Directors/Promoter Group	873600	18.20	873600	18.20
Mutual Funds	-----	-----	-----	-----
Banks/ Financial Institutions	-----	-----	-----	-----
Foreign Holding (Fills, NRI's, OCB's)	99840	2.08	99840	2.08
Bodies Corporate	3638400	75.80	3638400	75.80
Indian Public	188160	3.92	188160	3.92
Total	4800000	100	4800000	100

vii) Stock Market Data

: Stock market data is not available, there being no trading of shares during the year ended on 30th June 2010.

viii) Registrar & Transfer Agent:

: The company has appointed M/s Skyline Financial Services Limited, New Delhi as Registrar & Transfer Agents.

ix) Address for Correspondence

: Thapar Exports Limited
Regd. Office: Dhandari Khurd, Behind -638,
Phase-VII, Focal Point, Ludhiana.

By order of the Board
For THAPAR EXPORTS LIMITED

Sd/- (SURINDER SINGH) DIRECTOR
Sd/- (CHATTAR SINGH) DIRECTOR

PLACE : LUDHIANA
DATED : 03/12/2010

Declaration by the Directors under Clause 49(1D) of the Listing Agreement

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management, as approved by the Board for the Financial Year Ended 31st March, 2010.

For THAPAR EXPORTS LIMITED
Sd/- (SURINDER SINGH) DIRECTOR
Sd/- (CHATTAR SINGH) DIRECTOR

PLACE : LUDHIANA
DATED : 03/12/2010

AUDITOR'S REPORT

To,
The Members,
M/s THAPAR EXPORTS LIMITED
Dhandari Khurd, LUDHIANA.

We have audited the attached Balance Sheet of M/s THAPAR EXPORTS LIMITED as at 30th June, 2010 and also the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

01. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
02. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditors Reports) (Amendment) order 2004 issued by the Central Government of India in terms of sub-section (4A) Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
03. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the

directors as on 30th June, 2010, and taken on record by the Board of Directors, we report that none of the Directors other than Nominee Director of PSIDC are prima facie as on 30th June, 2010 disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting policies and other notes thereon give the information required by the Companies Act 1956, and in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet of the State of affairs of the company as at 30th June, 2010 and:
- (ii) In the case of the Profit & Loss Account, of the profit / loss for the year ended on that date: and
- (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For VIMAL DIXIT & ASSOCIATES
CHARTERED ACCOUNTANTS

-Sd/-
PARTNER

Place: Ludhiana
Date: 03/12/2010

ANNEXURE TO AUDITORS REPORT

(REFERRED TO IN PARAGRAPH (2) OF OUR REPORT OF EVEN DATE ON THE STATEMENT OF ACCOUNTS FOR M/s THAPAR EXPORTS LIMITED AS AT AND FOR THE YEAR ENDED 30th JUNE, 2010)

1. a) The Company has maintained proper records showing full particulars including quantities details and situation of its fixed assets.
b) All Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
c) The Company did not dispose off a substantial part of fixed assets during the year.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of accounts.
3. a) The company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956. As the Company has not granted any loan secured or unsecured, to the parties listed in the register maintained under section 301 of the Companies Act 1956, paragraphs (iii) (a), (b), (c) & (d) of order are not applicable.
b) The company has not taken loans secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956, as such paragraphs (iii) (e) (I) & (g) of the order are not applicable.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.

- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public, to which the provisions of section, 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 are applicable. As per explanation given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this respect.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. a) According to information and explanations given to us, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess were in arrears, as at 30th June, 2010 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, the following are the particulars of dues on account of sale tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

Name of the statutory	Nature of dues	Amount (Rs. in Crore)	Period to which amount relating	Forum where dispute pending
Indian Custom, Act	Custom Duty Interest & Penalty	6.03 (Cr.)	1999-2000	The Director General, Foreign Trade, Udyog-Bhawan, New Delhi

However liability in this regard has been provided.

10. The accumulated loss of the Company as at 30th June, 2010 are not less than Fifty percent of its net worth. The Company has incurred cash losses for the year ended 30th June, 2010 and also in the immediately preceding year.
11. According to information and explanations given to us and on the basis on examination of books of accounts the company has not defaulted in repayment of dues of all the banks and financial institution. Payment is being made as per negotiated settlement.
12. According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities. Accordingly clause 4 (XII) of the order is not applicable.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
14. According to the information and explanations given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, and according to information and explanations given to us the company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, and according to information and explanations given to us the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment except permanent working capital.
18. According to the information and explanations given to us, The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.

19. According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.
20. There has not been any public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
22. The company is a sick Industrial Company within the meaning of clause (o) of section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985. Bifr had declared the company as a Sick Industrial Company in vide letter no.387/2001, 139/2004, 147/2004, 66/2005, & 33/2008 dated 10/02/2010. Company was declared Sick Industrial vide processing hell down dated 03/02/2010.

For VIMAL DIXIT & ASSOCIATES
CHARTERED ACCOUNTANTS

-sd/-
PARTNER

Place : Ludhiana
Date : 03/12/2010

THAPAR EXPORTS LIMITED

BALANCE SHEET AS AT 30th JUNE 2010
SCHEDULE AS AT 30.06.2010
AMOUNT (RS.)

AS AT 30.06.2009
AMOUNT (RS.)

PARTICULARS

SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	I	47927000	47927000
Reserves & Surplus	II	1494700	1494700
		-----	-----
		49421700	49421700
LOAN FUNDS			
Secured Loans	III	13066704	17098985
Unsecured Loans		746000	746000
		-----	-----
		13812704	17844985
		-----	-----
		63234404	67266685
		=====	=====
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	IV	25468663	25468663
Less : Depreciation up to date		13657809	12683587
		-----	-----
		11810855	12785076
Net Block			3360
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	VI	29978444	32570188
Cash & Bank Balances	VII	2021764	1041404
Loans and Advances	VIII	586886	1725403
		-----	-----
		32587094	35336995
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	IX	73665960	73134519
		-----	-----
		(41078866)	(37797524)
Net Current Assets		91947710	91882058
Profit & Loss Account		551345	393715
Deferred Tax Assets		-----	-----
		63234404	67266685
		=====	=====

NOTES TO ACCOUNTS
The Schedules referred to above form
an integral part of the Balance Sheet

As per our report of even date
For Vimal Dixit & Associates
Chartered Accountants

-Sd/-
Partner

Place : Ludhiana
Dated : 03/12/2010

On behalf of the Board
For THAPAR EXPORTS LIMITED

-Sd/-
(SURINDER SINGH) (CHATTAR SINGH)
Director Director

THAPAR EXPORTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 2010

SCHEDULE FOR THE YEAR ENDED 30.06.2010 FOR THE YEAR ENDED 30.06.2009
AMOUNT (Rs.)

PARTICULARS

		5255261	2082913	1110100	385119
INCOME					
Sales		-----	-----	-----	-----
Other Income		7338174	-----	2502111	=====
		=====			
EXPENDITURE					
Purchases	X	4941918		1998980	
Manufacturing Expenses	XI	335267		188807	
Personnel Expenses	XII	1046345		940003	
Administrative & Selling Expenses	XIII	263536		205850	
Financial Expenses		169		9937	
Depreciation		974221		271297	
		-----		-----	
		7561456		4314874	
		=====		-----	
		(223282)		(1812763)	
Profit & (Loss) for the year				670	
Provision for FBT		(91882058)		(91325508)	
Bal. of Profit/(Loss) b/f from Prev. year		157630		1256883	
Deferred Tax Assets		(91947710)		(91882058)	
Profit/(loss) Carried over to Balance Sheet					

NOTES TO ACCOUNTS

XIV

The Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date For Vimal Dixit & Associates Chartered Accountants

-Sd/-
Partner

On behalf of the Board
For THAPAR EXPORTS LIMITED

-Sd/-
(SURINDER SINGH) (CHATTAR SINGH)
Director Director

Place : Ludhiana
Dated : 03/12/2010

THAPAR EXPORTS LIMITED

AS AT 30.06.2010 (Rs.) AS AT 30.06.2009 (Rs.)

SCHEDULE -I
SHARE CAPITAL
AUTHORISED
5000000 Equity Shares of Rs. 10/-
each

50000000

50000000

ISSUED, SUBSCRIBED AND PAID UP
4800000 (Previous Year 4800000)
Equity Shares of Rs. 10/- each

48000000

48000000

Less: Calls in Arrears
(Other than Directors)

73000

73000

47927000

47927000

SCHEDULE -II
RESERVES & SURPLUS

1494700

1494700

CAPITAL INVESTMENT SUBSIDY

1494700

1494700

SCHEDULE -III
SECURED LOANS

3471000

3765000

From Financial Institutions

9595704

13333985

P.S.I.D.C.

13066704

17098985

Interest accrued and due

THAFAR EXPORT LIMITED

SCHEDULE-IV
FIXED ASSETS

(Amount in Lacs)

PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK	
	AS AT 01.07.2009	ADDITION SALE ADJ. DURING YEAR	AS AT 30.6.2010	ADJUST. DURING YEAR	AS AT 30.06.2010	AS AT 30.06.2009
Land & Site	1024250	-	1024250	-	1024250	1024250
Development Building	12996243	-	12996243	434074	6561118	6995192
Plant & Machinery	11199025	-	11199025	531954	4157710	4689664
Furniture & Fixture	117363	-	117363	-	110145	7218
Office Equipments	91082	-	91082	4326	66413	28995
Scooter	40700	-	40700	3867	4810	39757
	25468663	-	25468663	974221	13657808	12785076
Previous Year	25427963	40700	25468663	971297	12683587	13715673

THAPAR EXPORTS LIMITED

SCHEDULE - V

INVESTMENTS (AT COST)		
QUOTED		1360
CREDIT CAPITAL VENTURE FUND INDIA LTD.	1360	
100 (Previous year 10) Equity Shares of		
Rs.10/- each fully paid up		2000
INDL.CREDIT & INVESTMENTS CORP.INDIA LTD.	2000	
10 (Previous year 10) Equity Shares of		
Rs.100/- each fully paid up		3360
	-----	-----
	3360	3360
	=====	=====

SCHEDULE - VI

SUNDRY DEBTORS		
(Unsecured considered good)		29951653
More than six months	23908727	
Considered good	2118979	1585821
Considered doubtful	3950738	1032714
Others	-----	-----
	29978444	32570188
	=====	=====

THAPAR EXPORTS LIMITED

AS AT 30.06.2010
Amt. (Rs.)

AS AT 30.06.2009
Amt. (Rs.)

SCHEDULE - VII

CASH AND BANK BALANCES

Cash in Hand
Balances with Scheduled Banks
Bank Guarantee Margin

249232
841361
931171

2021764
=====

130940
786610

1041404
=====

SCHEDULE - VIII

LOANS AND ADVANCES
(Unsecured considered good)
Loans & Advances recoverable in cash
or in kind or for value to be received
Security Deposits
Balances with Excise Departments
Income Tax

171800
159800
78397
176889

586886
=====

1314004

78397
173202

1725403
=====

SCHEDULE - IX

CURRENT LIABILITIES PROVISIONS

Sundry Creditors
Payable to customs dept.
Other Liabilities
Provision for FBT

8494897
60261149
4903314

73665960
=====

5305704
60261149
7566006
670

73134519
=====

THAPAR EXPORTS LIMITED

FOR THE YEAR ENDED 30.06.2010
AMT. (Rs.)

FOR THE YEAR ENDED 30.06.2009
AMT. (Rs.)

SCHEDULE - X
MANUFACTURING EXPENSES

Consumed Stores	26182	25650
Electricity Consumed	309085	163157
	-----	-----
	335267	188807
	=====	=====

SCHEDULE - XI

PERSONNAL EXPENSES

Salary, Bonus & other allowances	928979	834086
Contribution towards P.F. & Other Funds	113482	104397
Staff & Labour Welfare	3884	1520
	-----	-----
	1046345	940003
	=====	=====

SCHEDULE - XII

ADMINISTRATIVE & SELLING EXPENSES

Advertisement	520	-
Auditors Remuneration	3500	3500
-Audit Fee	1500	1500
-Tax Audit Fee	3933	25000
-Audit Fee (Bifr)	2165	1785
Conveyance Expenses	51300	48150
Directors Remuneration	28900	78236
Fees & Taxes	830	-
Insurance	100410	-
Legal & Professional Charges	1390	800
Misc. Expenses	2365	2604
Printing & Stationary	1314	1945
Telephone & Postage Charges	-	-
Traveling Expenses	-	-
- Directors	607	-
- Others	4797	-
Vehicles Expenses	-----	-----
	263536	205850
	=====	=====

SCHEDULE - XIII

FINANCIAL EXPENSES

Bank Charges	169	9937
	---	---
	169	9937
	===	===

THAPAR EXPORTS LIMITED

SCHEDULE - XIV

NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTIONS

The financial statements have been prepared under the historical Cost Convention in accordance with applicable Accounting Standards and relevant disclosure of the Companies Act, 1956.

B. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition/construction is inclusive of freight, duties, taxes & other incidental expenses.

C. DEPRECIATION

The Company has followed the straight line method of depreciation. The depreciation for the year has been provided in accordance with the rates and in manner as specified in Schedule XIV of the Companies Act, 1956.

D. INVENTORIES

The basis of valuation for different categories of inventory are as follows :

Raw Materials & Stores & Spares : At Cost
Finished Goods : At cost or market price whichever is less.

2. CONTINGENT LIABILITY NOT PROVIDED FOR

(a) In respect of non fulfillment of export obligations on advances licenses is unascertainable.

(b) The Income Tax Liability for the Assessment Year 1982-83 has been assessed at Rs.141978/- against which the Company has filed an appeal with the Tribunal, which is still pending. However, the Company has already deposited the full amount of Income Tax.

(c) Claim from the Toepfer International Asia Pvt.Ltd.Singapore for rate difference not acknowledged as debt US\$ 6526 and UK Pounds 2290.

(d) Property tax (house tax) Rs.100000/-by Municipal Corporation, Ludhiana.

3. Balances of certain receivable and payables are subjects to confirmation and reconciliation, However in the opinion of management, difference on reconciliation, if any, Will not be material.

4. Previous year figures have been regrouped / recasted wherever necessary.

5. Figures have been rounded of to the nearest rupee.

6.	Deferred Tax Liability	2009-10	2008-09
	Timing difference between income Tax &		
	Book depreciation	2383652	2566267
	Deferred Tax Assets on carry forward loss	2934997	2959982
		(551345)	(393715)
		<u> </u>	<u> </u>

7. ADDITIONAL INFORMATION REQUIRED UNDER PARA 3 & 4 OF THE PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

A. CAPACITIES & PRODUCTION

ITEM	ANNUAL CAPACITY		PRODUCTION (Including Job Work)	
	AS AT	AS AT	For the year	For the year
	30.06.2010	30.06.2009	Ended 30.06.2010	Ended 30.06.2009
Worsted, Synthetic & Acrylic Yarn	30000 MTs.	30000 MTs.	-	-
Carded Wool	15000 MTs.	15000 MTs.	-	-
Readymade Garments	175000 Pcs.	175000 Pcs.	-	-
Patching Formers	MTs		31.070	11.381

B. PURCHASES

ITEM	UNIT	FOR THE YEAR ENDED 30.06.2010		FOR THE YEAR ENDED 30.06.2009	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
Drawn Wire	MTs.	117.315	3926502	45.550	1660110
Round Bars	MTs.	-	-	-	-
C.R.Sheets	MTs.	31.325	1015416	11.590	330562

C. SALES

ITEM	UNIT	FOR THE YEAR ENDED 30.06.2010		FOR THE YEAR ENDED 30.06.2009	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
Drawn Wire	MTs.	117.315	4056703	45.550	1701881
Round Bars	MTs.	-	-	-	-
Patching Formers	MTs.	31.070	1198558	11.381	415111

OPENING & CLOSING STOCK OF GOODS PRODUCED & TRADED IN					
ITEM	UNIT	FOR THE YEAR ENDED 30.06.2010		FOR THE YEAR ENDED 30.06.2009	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
NIL					

OTHER ADDITIONAL INFORMATION

	For the year Ended 30.06.2010		For the year Ended 30.06.2009	
	Amount (Rs.)	%	Amount (Rs.)	%
1. Earning in Foreign Exchange on export on FOB Basis (On Invoices raised up to 30.06.2010	NIL		NIL	
2. Value of Imported/Indigenous Raw Material Components and Stores Consumed				
Stores & Spare Parts & Components	26182	100	25650	100
- Indigenous				
- Imported				

As per our report of even date
For Vimal Dixit & Associates
Chartered Accountants

On behalf of the Board
For THAPAR EXPORTS LIMITED

-Sd/-
Partner

(SURINDER SINGH) (CHATTAR SINGH)
Director Director

Place : Ludhiana
Dated : 03/12/2010

THAPAR EXPORTS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details																
Registration No.	1	0	5	9	0	Stat. C. 115										
Balance Sheet	3	0	0	6	2	0	1	0								
	Date				Month				Year							
II Capital Raised During The Year (Amount in Rs. Thousand)																
Public Issue	Right Issue				Bonus Issue				Private Placement				Allotment Money Recd			
N I L	N I L				N I L				N I L				N I L			
III Position of Mobilisation & Development of Funds (Amount in Rs. Thousand)																
Total Liability							Total Assets									
6	3	2	3	5	6	3	2	3	5							
Sources of Fund																
Paid-up Capital				Reserve & Surplus				Secured Loans				Unsecured Loans				
4	7	9	2	7	1	4	9	5	1	3	0	6	7	7	4	6
Application of Fund																
Net of Fixed Assets				Capital Work in Progress				AdvAgstCapitalGoods				Investment				
1	1	8	1	1	N I L				N I L				3			
Net Current Assets				Misc Expenditure				Accumulated Losses				Deferred Tax Assets				
(4 1 0 7 9)				N I L				9 1 9 4 8				5 5 1				
IV Performance of Company (Amount in Rs. Thousand)																
Turnover				Total Expenditure				+-Profit/Loss Before Tax				+-Profit/Loss After Tax				
7	3	3	8	7	5	6	1	(2	2	3)	(2 2 3)					
On Year End of Capital							Dividend Rate									

V	Generic name of Product/ Service of Company (as per Monetary term)																					
	Item Code No (ITC Code)	5	1	0	7	2	0	0	9													
	Product Description	W	O	O	L	L	E	N	Y	A	R	N										
	Item Code No (ITC Code)	6	1	1	0	2	0	0	2													
	Product Description	P	U	L	L	O	V	E	R	C	A	R	D	I	G	A	N	S				
	Item Code No (ITC Code)	5	1	0	6	2	0	0	1													
	Product Description	S	H	O	D	D	Y	Y	A	R	N											

As per our report of even date
 For Vimal Dixit & Associates
 Chartered Accountants

-Sd/-
 Partner

Place : LUDHIANA
 Dated : 03/12/2010

On behalf of the Board
 For THAPAR EXPORTS LIMITED

-Sd/-
 (SURINDER SINGH) (CHATTAR SINGH)
 Director Director

THAPAR EXPORTS LIMITED

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	FOR THE YEAR ENDING 30.06.2010 (Amt. in Rs.)	FOR THE YEAR ENDING 30.06.2009 Amt. in Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extraordinary items	(223282)	(1812763)
Adjustment for:-		
Depreciation	974221	971297
Interest Income/Other Income	(2082913)	(100119)
Custom duty/Penalty	-	-
Interest Paid	-	-
Operating Profit/(Loss) before working capital changes	(1331974)	(941585)
Adjustment for:-		
Increase/(Decrease) in Inventories	-	-
Increase/(Decrease) in Trade and other Receivable	2749901	3874664
(Increase)/Decrease in Trade & other Payable	(2520480)	(3028257)
Cash generated from operating activities	(1102553)	(95178)
Interest/other Income	2082913	100119
Net cash from operating activities	980360	494
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets (Including capital work in progress)	-	-
Net cash from Investing activities	-	-
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from long term Borrowings	-	-
Net cash used from financing activities	-	-
Net Increase/(Decrease) in Cash or Cash Equivalents (A+B+C)	980360	494
Opening Balance of Cash & Bank Equivalents	1041404	103646
Closing Balance of Cash & Bank Equivalents	2021764	1041404

On behalf of the Board
For THAPAR EXPORTS LIMITED

-Sd/-
(SURINDER SINGH)
Director

-Sd/-
(CHATTAR SINGH)
Director

Place : Ludhiana
Dated : 03/12/2010

AUDITORS REPORT

We have verified the above cash flow statement of THAPAR EXPORTS LIMITED derived from audited financial statements and the books and records maintained by the Company for the year ended on 30.06.2010 and found the same in agreement therewith.

For Vimal Dixit & Associates
Chartered Accountants

Place : Ludhiana
Date : 03/12/2010

-Sd/-
Partner