

22nd Annual Report
2010-2011

THAPAR ISPAT LIMITED
REGD. OFFICE : DHANDHARI KHURD, PHASE-VII, FOCAL
POINT, LUDHIANA

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Thapar Ispat Limited will be held on Saturday the 31st day of December, 2011 at 1.00 P.M. at the Registered Office of the Company at Dhandhari Khurd, Phase-VII, Focal Point, Ludhiana-141010 to transact the following business:

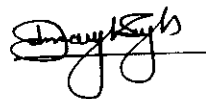
ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2011 and Profit & Loss Account for the year ended on that date and other statements of account together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Tilak Raj Sharma who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board

Sd/- Sd/-
(Damanjit Singh) (Bhag Singh)
Executive Director Director

PLACE : LUDHIANA
DATED : 01/12/2011



NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books will remain closed from Wednesday the 28th day of December, 2011 to Saturday the 31st day of December, 2011 (both days inclusive).
3. The audited Balance Sheet as at 30th June, 2011 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 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.
5. Members are requested to address all correspondence including Share Transfers directly to the company at its registered office at Dhandari Khurd, Phase-VII, Focal Point, Ludhiana.
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. As per Ministry Of Corporate Affairs Circular No. 17/2011 and Circular No. 18/2011 dated 21st April, 2011 and 29th April, 2011 members are kindly requested to register their email addresses with the company by sending an e mail at the email Id of the company at info@thaparipat.com mentioning their name, address , folio no (in case of physical shares) and DP ID in case of shares held in dematerialized form.

9. Re-appointment of Director:

At the ensuing annual general meeting Sh. Tilak Raj Sharma director will retire and being eligible offers himself for re-appointment. Sh. Tilak Raj Sharma is about 47 years of age and is associated with the company since last 5 years. He is having rich business experience in steel industry. Thus his re-appointment on the Board will be in overall interest of the company.

By order of the Board

Sd/- Sd/-
(Damanjit Singh) (Bhag Singh)
Executive Director Director

PLACE : LUDHIANA

DATED : 01/12/2011



DIRECTORS' REPORT

Dear Members,
Thapar Ispat Limited

Your Directors are glad to present Twenty Second Annual Report and Audited Accounts for the year ended on 30th June, 2011.

FINANCIAL RESULTS

	Amt in Rs.	
	30 th June 2011	30 th June 2010
Sales	41469420	36166531
Other Income	700637	360000
Profit (Loss) before depreciation	(848593)	(546552)
Depreciation	10467	10467
Net Profit/(Loss)	(859060)	(557019)

PERFORMANCE REVIEW

During the period under report the company has been able to increase its sales during the as compared to last year . however due to simultaneous increase in prices of raw material and other manufacturing expenses losses of the company have increased.

The management is trying its best to reduce the expenses and is looking forward positively for better results in future.

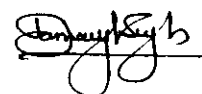
STATUS OF REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION.

The references had been made before BIFR by the company under Section 15 (1) of SICA based on the accounts for the year 2000-2001 to 2008-2009 since the net worth of the company was entirely eroded. But the same have been turned down by the Hon'ble BIFR (Board for Industrial and Financial Reconstruction) as non- maintainable. The company made an appeal against this order before Hon'ble AAIFR (Appellate Authority for Industrial and Financial Reconstruction) which has not yet been decided.

However, the company has again been registered under Section 15(1) of SICA based on the accounts for the year ended 30th June, 2010.

DIVIDEND

Due to non availability of profits , your directors do not recommend any dividend on shares.



FIXED DEPOSITS

The company has not accepted any fresh deposits during the year under report falling within the purview of Section 58 A of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Articles of Association of the Company and the Companies Act, 1956 Sh. Tilak Raj Sharma, Director retires by rotation and being eligible offers himself for reappointment.

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 for their appointment as statutory auditors for the year 2011-12.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended up to date is NIL.

CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company continuously involves itself in identifying and implementing energy saving schemes methods.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
NIL.

c) Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: NIL

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.

A POWER & FUEL CONSUMPTION	2010-2011	2009-2010
I. Electricity		
a) Purchased Units(in laes)	0.32	0.33
Total Amount (Rs.in laes)	1.91	1.63
Rate/Unit (Rs.)	6.00	5.00
b) Own Generation		
i) Through Diesel	--	--

Generator	--	--
Unit(in laes)	--	--
Unit per litr of HSD	--	--

(ii) Through Steam I.Gen Unit (in laes)		
Units P.Ton of Steam		
Cost Unit(Rs.)	--	--

2. Coal (used for generation of steam in boiler)

Qty. (Tones)		
Total Cost (Rs.in laes)		
Average Rate(Rs.)		

3. Furnace Oil

Qty (M.Ts)	--	--
Total Cost(Rs.in laes)	--	--
Average Rate(Rs.)	--	--

B. Consumption per Unit of Product


Electricity Units/Ton		
- For Steel Ingots	-	--
- For Rolled Products	-	--
- Furnace Oil KGS/Ton		
- For Steel Ingots	-	--
- For Rolled Products	-	--

II. TECHNOLOGY ABSORPTION

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

I. Research & Development (R&D)

- a) Specific area in which R&D carried out by the Company:
The company continuously involves itself in identifying and developing methods to improve quality of products and reduce costs.
- b) Benefits derived as a result of the ABOVE R&D:
The company has been able to improve the quality of its products.
- c) Future Plan of Action:
The company is working continuously towards finding out the ways to improve the methods of production, cost saving and improving quality.
- d) Expenditure on R & D: (Rs.in Laes)
Capital Nil



Recurring Nil
Total R&D Expenditure as a
percentage of total turnover Nil

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts 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 5 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, areas, Not Applicable

where this has not taken place
reasons thereof and future plan
of action.

III. FOREIGN EXCHANGE EARNINGS AND OUT-GO

(i) Earnings : NIL.

(ii) Outgo : NIL.

COMMENTS ON AUDITOR'S QUALIFICATION

The company had made reference to Board for Industrial and Financial Reconstruction under Section 15 (D) of SICA. However, the same was turned down as non maintainable by BIFR. Now, the company has made an appeal to hon'ble AAIFR (Appellate Authority for Industrial and Financial Reconstruction) in this regard which is pending with AAIFR as on this date.

The company was not able to make timely payments to Banks and Financial Institutions being a sick industrial company. However, the company is regularly following up with Banks and Financial Institutions for One Time Settlement (OTS).

INDUSTRIAL RELATIONS

Industrial relations remained peaceful and cordial at all levels during the year under review.

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;
- (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 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) That they have 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) That they have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continued support, encouragement and co-operation extended by all the stakeholders namely; Financial Institutions, Bankers, shareholders, customers and suppliers. Your Directors also place on record their appreciation for the contributions made by the employees of the Company at all levels.

By order of the Board
For THAPAR ISPAT LIMITED

Sd/- Sd/-
(Damanjit Singh) (Bhag Singh)
Executive Director Director

PLACE : LUDHIANA
DATED : 01/12/2011



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRIAL AND ECONOMIC SCENARIO

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly used in engineering industries such as power generation, petrochemicals and fertilisers. India occupies a central position on the global steel map with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernisation and upgradation of older plants, improving energy efficiency and backward integration into global raw material sources.

STRENGTHS AND WEAKNESSES OF INDIAN STEEL INDUSTRY

Weaknesses :

1. Labour productivity in India is still very low.
2. Steel production in India is also hampered by power shortages.
3. Insufficient freight capacity and transport infrastructure impediments too hamper the growth of Indian steel industry
4. India is deficient in raw materials required by the steel industry.
5. India has to do a lot of catching in the production of stainless steel.

Strengths:

1. Low labour wage rates
2. Abundance of quality manpower
3. Mature production base
4. Positive stimuli from construction industry
5. Booming automobile industry

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management. Your Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Our company believes that competent human Resources are the driving force for any organization that enables a company to grow in leaps and bounds. The company has been able to create a favourable work environment that encourages a good working atmosphere and motivation for employees.



CAUTIONARY STATEMENT

The Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors underlying any such forward-looking information.

By order of the Board
For THAPAR ISPAT LIMITED

Sd/- Sd/-
(Damanjit Singh) (Bhag Singh)
Executive Director Director

PLACE : FUDHANA
DATE : 01.12.2011



CORPORATE GOVERNANCE REPORT

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE

A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, your company believes the theory of corporate governance and always ensures its adherence.

I. BOARD OF DIRECTORS

(a) Board Meeting:

During the year ended 30th June, 2011 nine (9) Board meetings were held on 01.07.2010, 30.07.2010, 31.08.2010, 27.10.2010, 03.12.2010, 31.01.2011, 16.02.2011, 28.04.2011 and 29.06.2011.

(b) Composition & category of directors:


The Board of directors comprises of four directors as on 30th June, 2011.

Name	Designation	Category	No. of Board Meetings Attended.
Sh. Damanjit Singh	Whole Time Director	Executive Director	9
Sh. Abhay Pal Gupta	Nominee Director	Non Executive Director	NIL
Sh. Tilak Raj Sharma	Director	Non Executive Director	9
Sh. Bhag Singh	Director	Non Executive Director	9

None of the directors on the Board holds office in more than fifteen companies or memberships in committees of the Board in more than 10 Committees or Chairmanship of more than 5 such Committees.

None of the Independent Directors have any material pecuniary relationship of transactions with the Company.

Necessary information as mentioned in Annexure IA to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.



2. Audit Committee

Constitution of Committee as on 30.06.2011

Sh. Bhag Singh	Chairman (Independent non –executive director)
Sh. Abhay Pal Gupta	Member (Independent non-executive director)
Sh. Tilak Raj Sharma	Member (Independent non – executive director)

The Audit committee complies with the requirements of Clause 49 of the Listing Agreement. The committee met five (5) times during the year on following dates:

30.07.2010	27.10.2010	03.12.2010
31.01.2011	28.04.2011	

Attendance of each member at the committee meeting were as follows:

Name of Member	Designation	Category	No. of Meetings Held	No. of meetings attended
Sh. Bhag Singh	Chairman	Director	5	5
Sh. Tilak Raj Sharma	Member	Director	5	5
Sh. Abhay Pal Gupta	Member	Director	NIL	NIL

Terms of reference of Audit Committee

The "terms of reference" of the Audit Committee included the following:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Change, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.

- f. Disclosure of any related party transactions.
- g. Qualifications, if any, in the draft audit report.

- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Discussing with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Compliance with Stock Exchange and legal requirements concerning financial statements
- Reviewing the Company's financial and risk management policies.

3. Shareholders Grievance Committee

Constitution of Committee as on 30.06.2011

Sh. Bhag Singh	(Chairman)
Sh. Tilak Raj Sharma	(Member)
Sh. Abhay Pal Gupta	(Member)

The Committee looks into the complaints /grievance of shareholders, the company has constituted a three members committee. All members of the committee have been independent and non executive directors. The committee's constitution is as follow:

No meeting of this Committee was held during the year ended on 30.06.2011.

4. Remuneration Committee

Constitution of Remuneration Committee as on 30.06.2011

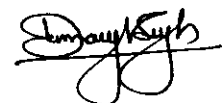
Sh. Bhag Singh	(Chairman)
Sh. Tilak Raj Sharma	(Member)
Sh. Abhay Pal Gupta	(Member)

The terms of reference of the committee are as per the guidelines issued by Central Government, Schedule XIII of the Companies Act, 1956 and Listing Agreement executed with Stock Exchanges. During this financial year, no meeting of the committee was held.

The committee met once on 1st July, 2010 during the year ended on 30th June, 2011.

The details of director remuneration paid for the year ended on 30th June, 2011 is as under:

Name of Director	Remuneration Paid Rs.
Sh. Damanjit Singh (Executive Director)	1,98,000/-



5. General body Meetings:

a) Annual General Meetings

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

Year 2007-2008	31.12.2008	Dhandari Khurd, Phase-VII, Focal Point , Ludhiana
Year 2008-2009	31.12.2009	Dhandari Khurd, Phase-VII, Focal Point , Ludhiana
Year 2009-2010	31.12.2010	Dhandari Khurd, Phase-VII, Focal Point , Ludhiana

Following special resolution was passed in the Annual General Meeting held on 31.12.2010:

1. Special Resolution under Section 269 read with Schedule XIII of the Companies Act, 1956 confirming re-appointment of Mr. Damanjit Singh as Executive Director of the company.

The company has not passed any resolution through postal ballot during the financial year 2010-2011.

b) Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year ended on 30th June, 2011.

6. Disclosures

1. There was no material significant transaction with the director or the Management, their subsidiaries or relatives, etc. that have any potential conflict with the interest of the company at large. Being a sick industrial company the company was unable to clear its dues towards stock exchanges. However, the management is making necessary arrangements with the Stock Exchanges to under various schemes to clear out its dues.

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) Non Mandatory Requirements

The Company has set up a Remuneration Committee of the Board of Directors, details of which have been provided in Item 4.

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.



7. 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 stock Exchanges on which the company's shares are listed.

8. General Shareholder Information:

(i) 21st Annual General Meeting

Date : 31st Dec. 2011
Time : 1.00 P.M.
Venue : Regd. Office, Dhandari Khurd,
Phase-VII, Focal
Point, Ludhiana.

(ii) Financial Calendar : July 2011 to June 2012
(2011-2012)

Quarter Ended September, 2011 : October, 2011

Quarter Ended December, 2011 : January, 2012

Quarter Ended March, 2012 : April, 2012

Quarter Ended June, 2012 : July, 2012

(iii) Dates of Book closure : Wednesday the 28th day of December, 2011 to Saturday the 31st day of December, 2011

(iv) Listing : The Delhi Stock Exchange Association Ltd.
Bombay Stock Exchange Limited
The LDH. Stock Exchange Association Ltd.
Madras Stock Exchange

(v) Distribution of Shareholders: As on 30th June 2011 the company has 2376 shareholders having a total number of 13236730 equity shares. The following is the distribution of shareholdings:

Category	No. of Share Holders	% of Share Holders	Agg. No. of Shares Held (Rs.)	% of share holding
Upto- 5000	2295	96.6	2603665	19.67
5001 - 10000	18	0.76	300474	2.27
10001 - 20000	4	0.16	164135	1.24
20001 - 30000	30	1.26	74126	0.56
30001 - 40000	6	0.25	19855	0.15
40001 - 50000	6	0.25	26473	0.20
50001 - 100000	4	0.17	31768	0.24
100001 - above	13	0.55	10016234	75.67
	2376	100	13236730	100.00

vi) The shareholding pattern as on 30th June, 2011 is given hereunder:

Category	As on 30 th June 2011		As on 30 th June 2010	
	No. of Shares	%	No. of Shares	%
Promoters Directors	115160	0.87	115160	0.87
Mutual Funds	27797	0.21	27797	0.21
Banks Financial Institutions	1324	0.01	1324	0.01
Foreign Holding (FII's, NRI's, OCB's)	-----	-----	-----	-----
Bodies Corporate	7717014	58.30	7717014	58.30
Indian Public	5375435	40.61	5375435	40.61
Total	13236730	100	13236730	100

vii) Stock Market Data : There has been no trading in the scrip during the financial year ended on 30th June, 2011.

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

ix) Address for Correspondance : Dhandari Khurd, Phase- VIII, Focal Point, Ludhiana. 0161-2675339, 0161-2675339.

xi) Investor Service : The requests received by the company are attended to promptly and expeditiously.

By order of the Board
For THAPAR ISPAT LIMITED

Sd/- Sd/-
(Damanjit Singh) (Bhag Singh)
Executive Director Director

PLACE : LUDHIANA
DATED : 01/12/2011

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

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 30th June, 2011.

(Executive Director)

01/12/2011



Managing Director's Certification under Clause 49(V) of the Listing Agreement

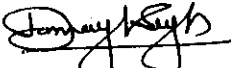
to:

The Board of Directors,
Jhappar Ispat Limited,
Regd. Office: Dhandari Khurd, Phase VII,
Local Point, Ludhiana.

I hereby confirm

1. that I have reviewed the financial statements and the cash flow statements for the year and to the best of my knowledge and belief:
 - a) these statements do not contain any materially untrue statement and figures and do not omit any material fact which may make the statements or figures contained therein misleading.
 - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, laws and regulations.
2. that to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. there are proper and effective internal control systems pertaining to financial reporting.
4. that all the significant changes in internal controls and accounting policies (if any) during the year were disclosed to the auditors and the audit committee.

Dated : 01/12/2011


(Executive Director)

CERTIFICATE

To,
The Members of
Thapar Ispat Limited

We have examined the compliance of the conditions of Corporate Governance by Thapar Ispat Limited for the financial year ended on 30th June, 2011 as stipulated in Clause 49 of Listing Agreement of the said Company with the Stock Exchanges.

The Compliances of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuing compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Board of Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the reports given by the Executive Director of the Company there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For VIMAL DIXIT & ASSOCIATES
CHARTERED ACCOUNTANTS**

Place: Ludhiana.
Date: 01/12/2011

Sd/-
Partner