

**25<sup>th</sup> Annual Report**  
**2013-2014**  
**THAPAR ISPAT LIMITED**  
**REGD. OFFICE: DHANDARI KHURD, PHASE-VII,**  
**FOCAL POINT, LUDHIANA PUNJAB-141010**  
**CIN: L27106PB1988PLC008681**

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**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the members of Thapar Ispat Limited will be held on Tuesday the 30<sup>th</sup> day of December, 2014 at 11.30 A.M. at the Registered Office of the Company at Dhandari Khurd, Phase-VII, Focal Point, Ludhiana-141010 to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> June, 2014 and Profit and 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 Sh. Bhag Singh who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

**PLACE: Ludhiana**  
**DATED: 29<sup>th</sup> August, 2014**

By order of the Board of Directors

  
**(Damjanjit Singh)**  
**Executive Director**

## 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 Monday the 29<sup>th</sup> day of December, 2014 to Tuesday the 30<sup>th</sup> day of December, 2014 (both days inclusive).
3. The audited Balance Sheet as at 30th June, 2014 and the Profit and 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 days (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. 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.
7. 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@thaparispat.com](mailto:info@thaparispat.com) mentioning their name, address, folio no (in case of physical shares) and DP ID in case of shares held in dematerialized form.

### 8. Re-appointment of Director:

Name: Sh. Bhag Singh

Age: 42 years.

Experience: He is associated with the company since last 10 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.

## DIRECTORS' REPORT

Dear Members,

Your Directors hereby present Twenty Fifth Annual Report and Audited Accounts for the year ended on 30th June, 2014.

### 1. FINANCIAL RESULTS

Amt in Rs.

Particulars	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013
Revenue from operations	48110118	36560829
Other Income	1253309	942472
Depreciation	35082	22190
Profit /(Loss) before tax	(1337073)	(1445680)
Tax Expenses	NIL	NIL
Net Profit/(Loss)	(1337073)	(1445680)

The management is looking forward positively and is continuously involved in developing strategies for improving performance of the company.

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

The Company is sick industrial company and registered under the BIFR Provisions. The proceedings are going on under the said provisions.

### 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. Bhag Singh, Director retires by rotation and being eligible offers himself for re-appointment.

## AUDITORS

M/s.Vimal Dixit and Associates, Chartered Accountants hold office up to the conclusion of the forthcoming Annual General Meeting. M/s. Vimal Dixit and Associates, Chartered Accountants are eligible for reappointment and the Board of Directors has recommended for their appointment as statutory auditors for the year 2014-15.

## 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 and FUEL CONSUMPTION

2013-2014      2012-2013

#### 1. Electricity

a) Purchased Units (in lacs)	0.35	0.28
Total Amount (Rs. in lacs)	2.56	1.88
Rate/Unit (Rs.)	7.25	6.61

#### b) Own Generation

i) Through Diesel Generator (Unit in lacs)	--	--
Unit per ltr. of HSD	--	--
ii) Through Steam I.Gen Unit (in lacs)	--	--
Units P.Ton of Steam	--	--
Cost/Unit (Rs.)	--	--

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

Qnty. (Tons)	--	--
Total Cost (Rs.in lacs)	--	--
Average Rate (Rs.)	--	--
<b>3. Furnace Oil</b>		
Qnty (M.Ts)	--	--
Total Cost(Rs.in lacs)	--	--
Average Rate(Rs.)	--	--
<b>B. Consumption per Unit of Product</b>		
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.

### 1. Research and 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:

Capital

Recurring

(Rs. in Lacs)

Nil

Nil

Nil

Total R&D Expenditure as a percentage of total turnover

### 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      None

reduction, production development, import substitution etc.

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

### **III. FOREIGN EXCHANGE EARNINGS AND OUT-GO**

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

### **INDUSTRIAL RELATIONS**

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

### **VIGIL MECHANISM FOR WHISTLE BLOWER POLICY**

The company as required under section 177(9) of Companies Act, 2013 has established a vigil mechanism for Whistleblower Policy, which is to be controlled by Sh. Bhag Singh

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to section 217(AA) of Companies Act, 1956, the Directors confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That 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 that period;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

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

(v) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.


**ACKNOWLEDGEMENT**

Your Directors wish to place on record the valuable contribution and continued support given by all business constituents during the year.

**PLACE: Ludhiana**

**DATED: 29<sup>th</sup> August, 2014**

By order of the Board of Directors

  
(Damanjit Singh)  
Executive Director

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRIAL AND ECONOMIC SCENARIO**

The demand for steel in India is expected to rise 7% in the next financial year as compared to sluggish 5.5% projected growth in 2013-2014. The overall outlook of the steel sector is positive and the demand is likely to pick-up in the financial year on the back of revival in economic growth.

India is currently the world fourth largest producer crude steel after China, Japan and U.S

### **OPPORTUNITIES AND THREATS**

#### **Opportunities:**

The biggest opportunity before Indian Steel Sector is that there is enormous scope for increasing consumption of steel in almost all sectors in India. India has rich mineral resources. It has abundance of iron ore, coal and many other raw materials required for iron and steel undertaking. It has the fourth largest iron ore reserve.

#### **Threats:**

- High cost of energy Higher duties and taxes
- High cost of capital
- Quality of coking coal
- Labour laws
- Dependence on imports for steel manufacturing equipments & technology
- Slow statutory clearances for development of mines

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company is maintaining an efficient and effective internal control system for the facilitation of speedy and accurate compilation of financial statements. The company internal control system commensurate with the nature of its business and size of operations.

### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Beyond Balance Sheet lies company's singly biggest Asset Human Resources. The company is of firm belief that the Human Resources are the driving force that propels a company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead.




## CAUTIONARY STATEMENT

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

**PLACE: Ludhiana**

**DATED: 29<sup>th</sup> August, 2014**

By order of the Board of Directors



Sd/-

**(Damanjit Singh) (Bhag Singh)**  
**Executive Director      Director**

## **CORPORATE GOVERNANCE REPORT**

### **COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE**

In order to ensure sustainable returns to all stakeholders of the business, it is imperative, especially for large organization, to adopt and follow certain policies, procedures and processes, which together constitute a “Code of Corporate Governance”. It is important that such a code is institutionalized, to ensure transparency, consistency and uniformity of decision making processes and actions. The company has always believed in such a “sound” Code of Corporate Governance, as a tool for highest standards of management and business integrity.

#### **1. BOARD OF DIRECTORS**

The business of the company is managed by the Board of Directors. The Board formulates the strategy and regularly views the performance of the company. The Board of Directors has composition with more than half of the directors being non- executive and independent directors.

None of the Directors on the Board holds the office of director in more than 15 Companies or memberships in committees of the Board in more than 10 Committees or Chairmanship of more than 5 committees.

- i. The total strength of the Board is four directors comprising one executive, one nominee director and two non-executive and independent directors as on 30<sup>th</sup> June, 2014.
- ii. During the year ended 30th June, 2014 seven Board Meetings were held on:

01.07.2013	04.07.2013	14.08.2013	07.10.2013
01.11.2013	30.01.2014	07.04.2014	

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

- iii. The following table gives details of Directorship, Category and attendance at Board Meetings and at the last Annual General Meeting.

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>Particular of Attendance</b>	
			<b>Board Meeting</b>	<b>Last AGM</b>
Sh. Damanjit Singh	Whole Time Director	Executive	7	Yes
Sh. Abhey Pal Gupta	Nominee Director	Non Executive	Nil	No
Sh. Bhag Singh	Director	Non Executive	7	Yes
Sh. Tilak Raj Sharma	Director	Non Executive	7	Yes

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

## 2. Audit Committee

Constitution of Committee as on 30.06.2014

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

The “terms of reference” of the Audit Committee included the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company,
- Review and monitor the auditor’s independence and performance and effectiveness of audit process,
- Examination of financial statement and the auditor’s report thereon,
- Approval or any subsequent modification of transactions of the company with related party,
- Scrutiny of intercorporate loans and investments,
- Valuation of undertakings or assets of the company, wherever it is necessary,
- Evaluation of internal financial controls and risk managements systems,
- Monitoring the end use of funds raised through public offers and related matters.

During the year ended 30th June, 2014 four meetings of the Audit Committee were held on the following dates:

14.08.2013	01.11.2013	07.10.2013
30.01.2014	07.04.2014	

The attendance record of members of the Audit Committee is as under:

Name of Director	No. of Audit Committee meetings attended
Sh. Bhag Singh	5
Sh. Abhey Pal Gupta	Nil
Sh. Tilak Raj Sharma	5

### **3. Shareholders Grievance Committee**

#### **Constitution of Committee as on 30.06.2014**

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

The Committee has been constituted to specifically redress the grievances of Shareholders and Investors pertaining to shares sent for transfer, non receipt of dividends, dematerialization and other allied matters.

No meeting of this Committee was held during the year ended on 30.06.2014.

### **4. Remuneration Committee**

#### **Constitution of Remuneration Committee as on 30.06.2014**

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

A Remuneration Committee as per the guidelines set out in the Listing Agreement has been set up to review and recommend the payment of annual salaries, commission etc and other employment conditions for Executive Director(s). During this financial year, no meeting of the committee was held. The power and role of the Remuneration Committee is as per guidelines set out in the listing agreement.

The details of the director remuneration paid for the year ended 30<sup>th</sup> June, 2014 is as under:

Name of director	Remuneration paid Rs.
Sh. Damanjit Singh Kalra(Whole Time Director)	288000/-

### **5. General body Meetings:**

#### **a) Annual General Meetings**

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

Year 2010-2011	31.12.2011	Dhandari Khurd, Phase-VII, Focal Point, Ludhiana
Year 2011-2012	31.12.2012	Dhandari Khurd, Phase-VII, Focal Point, Ludhiana
Year 2012-2013	30.12.2013	Dhandari Khurd, Phase-VII, Focal Point, Ludhiana

Following Special Resolution was passed in the Annual General Meeting held on 30.12.2013:

1. Special resolution under section 269 read with schedule XIII Of the Companies Act, 1956 confirming re-appointment of Mr. Damanjit Singh Kalra as Executive director of the company.

The company has not passed any resolution through postal ballot during the period w.e.f. 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014.

#### **b) Extra Ordinary General Meeting**

No Extra Ordinary General Meeting was held during the year ended on 30th June, 2014.

#### **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 above.

In compliance with the SEBI regulation on prevention of insider trading, the Company has prescribed a Code of Internal Procedures and 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) 25<sup>th</sup> Annual General Meeting

Date : 30<sup>th</sup> Dec. 2014.  
Time : 11.30 A.M.  
Venue : Regd. Office, Dhandari Khurd,  
Phase-VII, Focal Point, Ludhiana.

### ii) Financial Calendar (2014-2015) : 1<sup>st</sup> July, 2014 to 30<sup>th</sup> June, 2015

First Quarter Results : October, 2014  
Second Quarter Results : January, 2015  
Third Quarter Results : April, 2015  
Last Quarter Results : July, 2015

### iii) Dates of Book closure : Monday the 29<sup>th</sup> day of December, 2014 to Tuesday the 30<sup>th</sup> day of December, 2014.

### 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 2014 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	Aggregate 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
<b>Total</b>	<b>2376</b>	<b>100.00</b>	<b>13236730</b>	<b>100</b>

### vi) The shareholding pattern as on 30th June, 2014 is given hereunder:

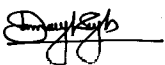
Category	As on 30 <sup>th</sup> June 2014		As on 30 <sup>th</sup> June 2013	
	No. of Shares	%	No. of Shares	%
Promoters & Directors	115160	0.87	115160	0.87
Mutual Funds	27797	0.21	27797	0.21

Banks/ Financial Institutions	1324	0.01	1324	0.01
Foreign Holding (Fills, NRI's, OCB's)	-----	-----	-----	-----
Body Corporate	7717014	58.30	7717014	58.30
Indian Public	5375435	40.61	5375435	40.61
<b>Total</b>	<b>13236730</b>	<b>100</b>	<b>13236730</b>	<b>100</b>

- vii) Stock Market Data : There has been no trading in the scrip during the financial year ended on 30th June, 2014.
- viii) Registrar and Transfer Agent : The company has appointed M/s Skyline Financial Services Ltd., New Delhi as Registrar and Transfer Agents.
- ix) Address for Correspondence : Dhandari Khurd, Phase- VIII, Focal Point, Ludhiana. 0161-2675339, 0161-2675339.
- x) Investor Service : The requests received by the company are attended to promptly and expeditiously.

By order of the Board of Directors

**PLACE: Ludhiana**  
**DATE : 29<sup>th</sup> August, 2014**

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

**Declaration by the Executive Director 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 30th June, 2014.

(Executive Director)

Place: Ludhiana.

Date: 29<sup>th</sup> August, 2014

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

To,

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

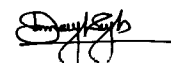
I hereby confirm

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 years were disclosed to the auditors and the audit committee.

(Executive Director)

Place: Ludhiana.

Date: 29<sup>th</sup> August, 2014





## 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, 2014 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 and ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: Ludhiana.  
Date: 29<sup>th</sup> August, 2014

Sd/-

Partner

Membership No. 078201