



The Thapar Group

*Reports & Accounts*

*31st March 2009*

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**KARAM CHAND THAPAR & BROS. LTD.**

**BOARD OF DIRECTORS**

Shri B.M. Thapar  
 Shri M.M. Thapar  
 Shri V.M. Thapar  
 Shri Gautam Thapar  
 Shri S.K. Khandelwal  
 Shri S.S. Lal  
 Shri A.K. Chatterjee

**GENERAL MANAGER &  
COMPANY SECRETARY**

Shri A.K. Basu

**AUDITORS****G. BASU & CO.**

Chartered Accountants  
 Basu House  
 3, Chowringhee Approach  
 Kolkata - 700 072

**REGISTERED OFFICE**

'Thapar House'  
 124 Janpath  
 New Delhi - 110 001.

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**Karam Chand Thapar & Bros. Ltd.****NOTICE OF THE SEVENTYTHIRD ANNUAL GENERAL MEETING**

Notice is hereby given that the Seventythird Annual General Meeting of KARAM CHAND THAPAR & BROS. LIMITED will be held at PHD Chamber of Commerce & Industry, PHD House, Opposite Asian Games Village, New Delhi –110 016 on Monday, the 22nd June, 2009 at 11.30 A.M. to transact the following business:-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009, the Balance Sheet as on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. K. Khandelwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri A. K. Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. S. Lal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration. M/s. G. Basu & Co., Chartered Accountants, are the retiring Auditors of the Company and are eligible for re-appointment.

**SPECIAL BUSINESS**

6. To pass the following Resolutions, with or without modification as Special Resolutions;

“**RESOLVED** that pursuant to the provisions of Section 17 and all other applicable provisions of the Companies Act, 1956 and subject to the confirmation of the Company Law Board, the Registered Office of the Company be shifted from the Union Territory of Delhi to Maharashtra and for that purpose, clause 2 of the existing Memorandum of Association of the Company be deleted and substituted to read as under :-

2 : The Registered Office of the Company will be situated in the State of Maharashtra.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to take necessary steps to obtain confirmation of the Company Law Board in respect of the aforesaid alteration of clause 2 of the Memorandum of Association of the Company and to agree to such terms and conditions as may be directed by the Company Law Board.”

Registered Office :  
“Thapar House”  
124, Janpath,  
New Delhi-110001  
8th May, 2009

**By Order of the Board**

A.K. BASU  
General Manager &  
Company Secretary

**NOTES :**

1. A member is entitled to attend and vote at the meeting to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.  
Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

**Karam Chand Thapar & Bros. Ltd.****NOTES (Contd.) :**

2. The Register of Members and share Transfer Books of the Company will be closed from Monday, the 16th June, 2009 to 22nd June, 2009 (both days inclusive) in connection with the Annual General Meeting.
3. Re-appointment of the Directors :  
At the ensuing Annual General Meeting, Shri S. K. Khandelwal, Shri A. K. Chatterjee and Shri S. S. Lal retire by rotation and are eligible for re-appointment.
4. Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of Special Business is annexed here to and form part of this Notice.
5. Members are requested to bring their copies of the Annual Report to the Meeting.

**Annexure to the Notice****Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956.****Item No. 6**

Janpath Investments & Holdings Limited acquired 94.03% Paid-Up-Share Capital of the Company and has become "Holding Company" of the Company. The Registered Office of Janpath Investments & Holdings Limited is situated in the State of Maharashtra. The Holding Company expressed its desire to shift the Registered Office of the Company (being the subsidiary company) in the State of Maharashtra from Union Territory of Delhi for better administrative control over the Company.

In view of the above, the Board of Directors of the Company consider that if the Registered of the Company is shifted to the State of Maharashtra, it would be more convenient and economical to carry on the business of the Company.

Section 17(2) of the Companies Act, 1956 provides that for shifting of the Registered Office of the Company from one state to another, it is required to pass a Special Resolution by the Members at the General Meeting and subject to approval of the same by the Company Law Board.

Registered Office :  
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8th May, 2009

**By Order of the Board**

A.K. BASU  
General Manager &  
Company Secretary

**Karam Chand Thapar & Bros. Ltd.****DIRECTORS' REPORT****To the Members**

The Directors have pleasure in submitting their Report with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2009 :

	<b>Year ended 31<sup>st</sup> March, 2009 Rs. '000</b>	<b>Three months period ended 31<sup>st</sup> March, 2008 Rs. '000</b>
<b>FINANCIAL RESULTS :</b>		
<b>INCOME &amp; PROFITS -</b>		
Income from Investments and Other Income	<u>2,448</u>	<u>1,200</u>
Profit /(Loss) before Depreciation	<b>(10,501)</b>	(4,383)
Depreciation	<u>(11)</u>	<u>(3)</u>
Profit /(Loss) before Tax	<b>(10,512)</b>	(4,380)
Provision for Taxation	<b>(176)</b>	(35)
Excess Provision for Taxation of earlier years written back	<u>24</u>	<u>—</u>
Profit /(Loss) after Tax	<b>(10,664)</b>	(4,415)
Add: Balance(after adjustments) as per last Profit & Loss Account	<u>(1,95,484)</u>	<u>(1,91,069)</u>
Balance carried to Balance Sheet	<u><b>(2,06,148)</b></u>	<u><b>(1,95,484)</b></u>

The figures of the Accounts for the year ended 31<sup>st</sup> March, 2009 are not comparable with those of previous three months period ended 31<sup>st</sup> March, 2008, as the effects of merger/demerger were given in the Accounts of three months as per the Schemes of Amalgamation, Arrangement and Reconstruction as approved by the High Courts of Delhi and Bombay.

Your Directors do not propose any Dividend.

**1. OPERATION :**

After implementation of Thapar Family Settlement Agreement and completion of Court's Restructuring Schemes, the Company does not have any business to carry on. Further, the Company's 'Net Owned Funds' as per Reserve Bank of India Act, 1934, were eroded completely. Therefore, the Company discontinued its Non-Banking Financial business.

Now the Company has very limited capacity to earn revenue and as the Company is not capable to carry on Non-Banking Financial business, the Company is considering merger of the Company with any of the Thapar Group Companies.

Janpath Investments & Holdings Limited acquired 82,03,382 Equity Shares of the Company and the above Shares constitute 94.035% of the Paid-Up-Capital of the Company. By virtue of holding the above Shares, Janpath Investments & Holdings Limited has become 'Holding Company' of the Company under Section 4 of the Companies Act, 1956.

**Karam Chand Thapar & Bros. Ltd.****2. DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri S.K. Khandelwal, Shri A.K. Chatterjee and Shri S.S. Lal, Directors of the Company being longest in the Office, retire by rotation and are eligible for re-appointment. Their appointments are recommended for your approval.

**3. PARTICULARS OF EMPLOYEES :**

None of the employees of the Company are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2002, as amended upto date.

**4. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO :**

The Company is an Investment Company and the Particulars prescribed by the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are therefore not applicable.

There was no foreign exchange earnings/outgo during the period.

**5. AUDITORS :**

The Company's Auditors, Messrs. G. Basu & Co., Chartered Accountants, hold office upto the conclusion of the forthcoming Annual General Meeting and being eligible are recommended for re-appointment. They have furnished the requisite Certificate to the effect that their re-appointment, if effected, will be in accordance with Section 224 (1B) of the Companies Act, 1956.

**6. DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors would like to assure the Members that the financial statements for the period under review conform in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm that :

- the Accounts have been prepared in conformity with the applicable Accounting Standards ;
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the loss for the financial period;
- sufficient care has been taken 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 prevention and detection of fraud and other irregularities; and
- the Accounts have been prepared on a Going Concern Basis as the Company is considering to carry on some business in future by merging with another Thapar Group Company.

**7. ACKNOWLEDGEMENT :**

The Directors take this opportunity to express their sincere appreciation to the employees of the Company for the dedicated service to the Company during the period under review.

For and on behalf of the Board  
**S. K. Khandelwal**  
 Director  
**A. K. Charterjee**  
 Director

New Delhi  
 8<sup>th</sup> May, 2009.

**Karam Chand Thapar & Bros. Ltd.****AUDITORS' REPORT**

TO THE MEMBERS OF KARAM CHAND THAPAR &amp; BROS. LIMITED

1. We have audited the attached Balance Sheet of Karam Chand Thapar & Bros. Limited as at 31<sup>st</sup> March 2009, the related Profit & Loss Account for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), issued by the Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 4.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - 4.3 The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - 4.4 In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the applicable Accounting Standards referred to in sub-Section (3C) of Section 211 of the Act;
  - 4.5 On this basis of the written representations received from all the Directors and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009, and
    - (ii) in case of the Profit and Loss Account, of the loss for the year ended on that date.

**For G. BASU & CO.**  
Chartered Accountants

Place : Kolkata  
Date : 8<sup>th</sup> May, 2009

(S.Lahiri)  
Partner  
(M.No.- 051717)

**Karam Chand Thapar & Bros. Ltd.****ANNEXURE TO AUDITORS' REPORT**

**(Referred to in paragraph 3 of the Auditors' Report of even date to the members of Karam Chand Thapar & Bros. Limited on the financial statements for the year ended 31<sup>st</sup> March, 2009)**

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situations of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the period and no discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any of its fixed assets during the year.
2. In view of the nature of the Company's business and transactions, the matters specified in clause (ii) of paragraph 4 of the aforesaid Order regarding inventory are not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under Section 301 of the Act during the current period. Accordingly, clause (iii) (b) , (iii) (c) and (iii) (d) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act during the year. Accordingly, clause (iii) (f) and (iii) (g) of paragraph 4 of the aforesaid Order are not applicable to the Company for the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. In view of the nature of the Company's business and the transactions carried out during the year, the question of purchase of inventory, sale of goods and services during the year does not arise. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
5. In our opinion and according to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act, the particulars of which are required to be entered in the Register maintained under that Section.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. In view of the nature of the Company's business and transactions, the matters specified in clause (viii) of Paragraph 4 of the aforesaid Order regarding maintenance of cost records, are not applicable.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Income Tax and any other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the books and records examined by us, there were no dues of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute except the following :