



TAPARIA TOOLS LTD.

ANNUAL REPORT

2011-12

Contents

- 2** Corporate Information
- 3** Notice of the Annual General Meeting
- 6** Financial Highlights
- 7** Directors' Report
- 11** Management Discussion and Analysis
- 12** Report on Corporate Governance
- 21** Auditors' Report
- 24** Balance Sheet
- 25** Statement of Profit and Loss
- 26** Notes on Financial Statements
- 38** Cash Flow Statement

Board of Directors

Shri H.N. Taparia	- Chairman and Managing Director
Dr. M. G. Nathani	- Executive Director
Shri P.N. Shah	
Shri M.V. Gore	
Shri B.B. Ladda	
Shri G.S. Manasawala	
Shri Rajeev J. Mundra	
Shri J.K. Taparia	
Shri M.P. Taparia	
Shri D.P. Taparia	
Shri Virendra Bangur	

Company Secretary

Shri V.S. Datey

Bankers

HDFC Bank Limited

Solicitors

M/s. Mulla & Mulla Craigie Blunt & Caroe, Mumbai

Auditors

M/s. Batliboi & Purohit, Mumbai

Corporate Office

423/24, (A-2), Shah and Nahar, Lower Parel (W), Mumbai -400 013, Maharashtra

Telephone: (91) (22) 24938646-50, Fax: (91) (22) 24953230 E-Mail: htaparia@bom5.vsnl.net.in

Registered Office

52 & 52B, MIDC Area, Satpur, Trimbak Road, Nashik - 422 007,(Maharashtra)

Telephone : (0253) 2350317/2350318/2350418, Fax : (0253) 2350740, E-Mail : nashik@tapariatools.com

Plants

52 & 52B, MIDC Area, Satpur, Trimbak Road, Nashik - 422 007, (Maharashtra)

Plot No.L-29, Cuncolim Industrial Estate, Cuncolim - 403 703, (Goa)

Website

www.taparia.com

Notice

NOTICE is hereby given that Forty Sixth Annual General Meeting of TAPARIA TOOLS LIMITED will be held at Hotel Emerald Park, Sharanpur Link Road, Nashik – 422 002 on Monday, the 17th day of September, 2012 at 1.00p.m. to transact the following business as ordinary business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri P. N. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. V. Gore, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J. K. Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board

Mumbai, 26th May, 2012

V. S. Datey
Company Secretary

Registered Office:

52 and 52B, MIDC Area,
Satpur, Trimbak Road,
Nashik – 422 007 (Maharashtra)

Notes:

- 1) A MEMBER ENTITLED TO ATTEND and VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND and VOTE INSTEAD OF HIMSELF and THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
- 3) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- 4) The Register of Members and Share Transfer Books in respect of the Equity Shares will remain closed from 13th day of September, 2012 to 17th day of September, 2012 (both days inclusive).
- 5) (a) The Members are requested to :
 - Check the address printed on the envelope for any discrepancy especially that of pin code number. If the pin no. is missing or it is not correct, members are requested to communicate the correct pin code number to the Company.
 - Direct all correspondence to the Company's registered office at Nashik, for the attention of the Secretarial Department.
 - Quote ledger folio number in all their correspondence.
 - Approach the Company for consolidation of folios, if physical shareholdings are under multiple folios.

- Get the shares transferred in joint names, if shares are held in single name, to avoid inconvenience.
 - Submit to the Company copy of PAN Card along with the Share Transfer Proposal/s.
 - Send to the Company duly filled in form of appointment of nominee for the shares held. The prescribed form for appointment of nominee will be made available on request.
- (b) Members desirous of obtaining any information concerning the accounts and/or operations of the Company are requested to address their questions to the Company Secretary, so as to reach at least seven days before the date of Meeting, to enable us to make the information available at the Meeting, to the best extent possible.

Members are requested to bring their copy of the Annual Report and the Attendance Slip duly filled in with them at the Annual General Meeting.

- 6) Please note that pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends till the introduction of Section 205C by the Companies (Amendment) Act, 1999 have been transferred to General Revenue Account of the Central Government and thereafter up to the financial year ended 2003-04 have been transferred to the Investor Education and Protection Fund.

Kindly note that in terms of Section 205C of the Companies Act, 1956 the unclaimed dividend for the financial year 2004-2005 (which has remained unclaimed for a period of seven years) from the date it has become due, will be transferred to Investor Education and Protection Fund in the month of November, 2012.

Those shareholders who have not encashed the dividend warrant for the financial year 2004-2005 and onwards are therefore, requested to forward the same to the Company for revalidation. It may also be noted that once the unclaimed dividend is transferred to the Fund, no claim shall lie against the fund or the Company in respect of the individual amounts which were unclaimed or unpaid.

- 7) As required under clause 49(iv)(G) of the Listing Agreement of the Stock exchange, the relevant details of persons seeking appointment/reappointment as Directors are furnished in the Annexure to the Notice.

Annexure to Notice

Details of Directors seeking appointment / re-appointment in the ensuing Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement]

Name of the Director	Shri P. N. Shah	Shri M. V. Gore	Shri J. K. Taparia
Date of Birth	1st January, 1929	22th July, 1932	3rd June, 1942
Date of Appointment / Reappointment	12th January, 1996	17th February, 1998	12th January, 1996
Experience in specific functional areas	Taxation, Accounting, Auditing and Financial Management. .	Finance, Insurance, Company Law, Marketing, Personnel and Industrial Relations.	Technical Aptitude in Mechanical and Electrical aspect of engineering
Experience	61 years	55 years	52 years
Educational Qualifications	Chartered Accountant	Chartered Accountant	B. Sc.
Details of equity shares held in the Company	Nil	Nil	143476
Directorship in other listed Companies as on 31.03.2012	1) Indo Count Industries Ltd. 2) Pranavaditya Spinning Mills Ltd.	Nil	Nil
Chairman/Member of the Committees of other companies in which he is a Director as on 31.03.2012	1) P. I. Industries Ltd. 2) Secure Meters Ltd. 3) Wolkem India Ltd. 4) Indo Count Industries Ltd. 5) Pranavaditya Spinning Mills Ltd.	Nil	Nil

Financial Highlights

SHAREHOLDERS' FUNDS

1967-1968 : ₹ 39.80 Lakhs

2011-2012 : ₹ 3747.60 Lakhs

(₹ in lakhs)

	2007-08	2008-09	2009-10	2010-11	2011-12
FOR THE YEAR					
1. GROSS REVENUE	12928.22	12711.63	15506.73	18475.86	22419.25
2. PROFIT BEFORE TAX	581.90	645.11	886.65	863.34	1126.85
3. PROFIT AFTER TAX	388.52	394.62	583.49	580.44	727.42
4. RETAINED EARNINGS	304.80	659.43	1182.92	1703.36	2357.78
5. CASH GENERATION	448.37	447.30	642.49	638.76	790.72
6. FOREIGN EXCHANGE EARNINGS	290.49	256.43	239.01	247.38	278.18

AT YEAR END					
7. GROSS FIXED ASSETS	2677.61	2703.03	2746.18	2781.21	2847.59
8. SHARE CAPITAL	303.58	303.58	303.58	303.58	303.58
9. RESERVES AND SURPLUS	1157.57	1542.42	2146.61	2722.22	3444.02
10. NET WORTH	1461.15	1846.00	2450.19	3025.80	3747.60
11. BORROWINGS	321.11	1484.60	1219.55	1569.30	2860.33
12. CAPITAL EMPLOYED	1782.26	3330.60	3670.04	4595.10	6607.93

PER SHARE (In ₹)					
13. NET WORTH PER EQUITY SHARE	48.13	60.81	80.72	99.67	123.45
14. EARNING PER SHARE	12.80	13.00	19.22	19.12	23.96

RATIO					
15. DEBT: EQUITY RATIO (Debt: Equity Share Capital)	1.06	4.89	4.02	5.17	9.42

Directors' Report

To the Members of Taparia Tools Limited,

Your Directors have pleasure in presenting the 46th Annual Report on the operations of the Company together with the Financial Accounts for the year ended March 31, 2012.

FINANCIAL PERFORMANCE

	<i>(₹ in lakhs)</i>	
	2011-12	2010-11
Revenue (Net)	22419.25	18475.86
Profit before interest and depreciation	1391.91	1036.39
Less: Interest	201.76	114.74
Gross Profit	1190.15	921.65
<i>Less : Depreciation</i>	63.30	58.31
Profit for the year before tax	1126.85	863.34
<i>Less : Provision for taxation</i>		
Current Tax	417.00	294.00
Deferred Tax	(17.57)	(11.10)
Profit after tax	727.42	580.44
<i>Add : Surplus brought forward from previous year</i>	1703.36	1182.92
Profit available for Appropriations	2430.78	1763.36
<i>Less : General Reserve</i>	73.00	60.00
Surplus carried to Balance Sheet	2357.78	1703.36

DIVIDEND

The Directors have not recommended any dividend for the year under review. The Company has retained the funds for expansion of the activities of the company by introduction of new product range and plants.

REVIEW OF OPERATIONS

The Global economy has fluctuated the entire year under review. Barely a year after recession, the global economy witnessed lower economic growth resulting primarily from the debt crisis and high oil prices which were fuelled by uncertainties of supply.

The Company's total revenue (Net of excise duty) were ₹ 22419.25 lakhs that represent an increase of 21.34% over the sales of ₹18475.86 lakhs in the previous year. Profit earned after tax was ₹727.42 lakhs in the current year against ₹580.43 lakhs in the previous year.

Despite continuously rising cost of inputs and keen competition, the current results of the Company are satisfactory. The Company has revised its product prices w.e.f. October, 2011 and April 2012 to maintain the company's position in the highly competitive market.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. The Company has complied with all the provisions of Clause 49 of the Listing Agreement with the BSE relating to corporate governance.

A separate section on corporate governance together with a certificate from your Company's Statutory Auditors forms a part of this Annual Report.

PERSONNEL

The industrial relations with employees continued to be satisfactory during the year under review. There was no employee drawing salary of more than ₹ 5,00,000/- per month or ₹ 60,00,000/- per annum. Hence, the requirement of a statement giving information and particulars of the employees as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is not applicable.

DIRECTORS

Shri P. N. Shah, Shri M. V. Gore and Shri J. K. Taparia, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief profile of the Directors is given in the Annexure to the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) The Directors 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 of the Company for the year under review;

- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- 4) The Directors have prepared the annual accounts on a "going concern basis".

AUDITORS

The members are requested to appoint Statutory Auditors for the current financial year and to fix their remuneration.

M/s. Batliboi and Purohit, Chartered Accountants, the present Auditors, have under section 224 (1B) of the Companies Act, 1956, furnished their Eligibility Certificate for reappointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to section 217(1)(e) of the Companies Act, 1956 read together with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

CONTRIBUTION TO REVENUE

Company has contributed the following amounts to the exchequer's revenues during the year:

	<i>(₹ in lakhs)</i>
a) Excise Duty	693.42
b) VAT/CST	714.46
c) Octroi and Municipal Taxes	64.50
d) Income Tax	380.00
Total	1852.38

ACKNOWLEDGMENT

The Directors wish to convey their appreciation for the total commitment, dedication, hard work and enormous personal efforts as well as collective contribution put in by every employee of your Company in achieving the present performance of the Company.

The Directors would also like to thank the Bankers, Central and State Governments, local authorities, customers, distributors, suppliers and all other business associates for the continuous and unstinted support given by them to the Company and their confidence in its management.

Lastly, your Directors are deeply grateful for the confidence and faith shown by the shareholders of the Company in them.

On behalf of the Board of Directors

H.N. Taparia

Chairman &

Managing Director

Mumbai, 26th May, 2012

Annexure 'A' to the Directors' Report

DISCLOSURES

A) CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Company is committed for achieving optimum use of energy in operations and bringing about energy efficiency in processes and products through energy efficient and renewable energy technologies. Electricity and furnace oil are the major items of energy consumption.

The company has taken the following measures for conservation of energy:

- Reduced rejection of S.D. Blades by around 7% which affects reduction in plating material, chemicals and electricity.
- Executed electrical panel checking with thermal testing to reduce electrical losses in DBS, cable joints, terminations, etc.

b) Additional Investments and proposals being implemented for reduction of consumption of energy:

- Exploration of LPG Gas / Induction Blank Heating in place of furnace oil for heating the blanks for forging is under process.
- Exploration of Shaker Hearth Furnace for hardening process in place of existing conventional muffle furnace at Tap Tools, Goa is under process.

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

- Reduced air pollution in the areas where heating of material is involved, resulting in better working conditions.
- Relining of Shaker Hearth Furnace at Nasik Unit has been completed and furnace on time is reduced affecting reduction in energy charges.

d) Total energy consumption and energy consumption per unit of production as per Form-A

FORM-A (Rule-2)

	Current year 2011-12	Previous year 2010-2011
I) Power/fuel consumption :		
1. Electricity		
(a) Purchased :		
Unit Lakhs(KWH)	56.96	58.39
Total Cost (₹ Lakhs)	328.86	295.77
Average Rate/₹/KWH	5.77	5.07
(b) Own Generation :		
Unit (Lakh KWH)	-	-
Unit per ltr.of diesel oil	-	-
Average Rate/Unit (₹)	-	-
2. Furnace Oil :		
Purchased (KL)	380.86	497.31
Total Cost (₹/Lakhs)	154.49	154.30
Average Rate (₹/Ltr.)	40.56	31.03
II) Consumption per unit of production:		
Electricity (Unit/MT)	2842	2921
Furnace Oil (Ltr./MT)	251	249
Coal	-	-
Others	-	-

B) TECHNOLOGY ABSORPTION

a) Research and Development

(i) Specific areas in which R & D carried out by the Company:

- The following new products have been introduced during the year 2011-2012:
 - 1177:30 Adjustable Spanners
 - TAK 1.5 – TAK 10 Tee Head Allen Keys
- Productivity has increased at following places:
 - Modified forging design of plier family which results in saving of input Raw Material.
 - Implementation of Induction heating technology in circlip pliers tip bending and socket blank heating for upsetting.
 - Improved machining process of socket accessories e.g. 1734 Angle Handle and 2715 Ratchet handle

(ii) Benefits derived as a result of the above R and D:

- Increased the Product Range
- Increased the market share in existing products
- Increased the turnover of the Company
- Saving in manufacturing cost
- Improved atmospheric condition and housekeeping.

(iii) Future plan of action:

To continue the introduction of new products and widening the product range, the following new products are under exploration.

- Engineering files
- Diamond Cutters
- Utility Knives
- Company has completed exploration of following equipments & the same will be ordered shortly.
 - a) C.N.C. Vertical Machining Center for manufacturing forging dies, moulds and other tool room spares
 - b) C.N.C. Lathe Centre for wheel wrench turning
 - c) Spectrometer for chemical analysis of materials

(4) Expenditure on R & D :

a) Capital	-
b) Recurring	<u>₹ 70.10 Lakhs</u>
c) Total	<u>₹ 70.10 Lakhs</u>
d) Total R & D Expenditure as a percentage of total turnover	0.31 %

b) *Technology absorption, adaptation and innovation:*

(i) Efforts, in brief made towards technology absorption, adaptation and innovation:

- To compete at the National and International levels, the Company is exploring to import better manufacturing facilities for plier machining.
- The Company has completed exploration of following equipments and the same will be ordered shortly :
 - 250 Tons coining press
 - 4 Spindle CNC - Cutting edge milling machines for pliers
 - Profile milling machine for pliers
 - Plier cheek grinding machine
 - Plier etching Machine
 - Induction heating / hardening equipment for
 - a) Plier cutting edge hardening
 - b) Billet heating for forging process
 - c) Bar heating for wheel wrench upsetting

(ii) Benefits derived as a result of above efforts:

- Better and efficient manufacturing processes
- Increased production of fast moving items
- Market leadership in domestic markets
- Improved overall product quality
- Better housekeeping

(iii) Technology imported during the last five years:

The Company has not imported any technology from outside.

(iv) Foreign Exchange earnings and outgo:

Foreign exchange earnings	: ₹ 278.18 Lakhs
Foreign exchange outgo	: ₹ 1597.83 Lakhs

Management Discussion And Analysis

OVERVIEW

The global economy witnessed lower economic growth in the financial year under review. FY 2011-12 has been a challenging year due to profound effect on demand and margin outlook of the industrial products across the world. Barely a year after recession, the global economy witnessed lower economic growth resulting primarily from the debt crisis and high oil prices which were fuelled by uncertainties of supply. The GDP growth rate also decreased to 6.9% as against 8.26% in 2010-2011. Though the Indian economy is interlinked with the global economy, its focus on the domestic markets and Governments prudent policies have helped to maintain a high growth trajectory.

BUSINESS OF THE COMPANY

The Company is mainly engaged in the business of Hand Tools.

PERFORMANCE

In spite of the fluctuating trends in the economy, the Company is successful to post better results in the Hand Tools Market. As compared to the previous year, the performance of the Company was satisfactory. Many new products in the existing range of products were introduced by the Company to expand its activities.

The Company has achieved profitability yet another year. The company's business has posted better performance. Total turnover of the Company has increased during the year under review to ₹ 22419.25 lakhs as compared to last year which was ₹ 18475.86 Lakhs. The Company's sales volume grew by 21.34% as compared to previous year.

OPPORTUNITIES AND THREATS

The Economic condition has shown many ups and down in the year under review. As the Company is committed to produce quality hand tools the growth of the Company is strengthening day by day. The Company's share in the Hand Tools Market is appreciated. Technical and Qualitative prospects is helping the Company to achieve greater heights. Many companies have introduced producing hand tools which have proved to be threat of competition. Scarcity of Labour and duplication of Taparia Brand has continued to be serious problem hampering the operations and profits of the Company.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls in place. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well to strengthen its Management Information System for effective checks.

HUMAN RESOURCES

The Company has a history of having harmonious relations with its employees. It has a good learning environment which helps the employees to work peacefully. The management of the Company consists of group of skilled and professional people working together which has proved efficient in increasing the productivity and profitability of the Company.

The Company always tries to maintain constructive relationship with its employees through a positive environment.

CONCLUSION

Your Company has successfully completed yet another year by posting better volume and profitability of the business. The Company is expanding its area of business to multiply its turnover. The Company will continue to make investments in the hand tool business to further consolidate its leadership position.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and predictions may be "forward-looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied, important factors that could make difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the Government regulations, tax regimes, economic developments within India and countries in which the Company conducts business and other incidental factors.

Report On Corporate Governance for the financial year 2011-2012

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Concept of Corporate Governance has gained tremendous importance in current scenario as it has proved helpful in bringing values like independence, integrity, accountability, transparency, responsibility and fairness in corporate decisions. Taparia Tools Limited has always followed good governance practice and has implemented higher standards of accountability in its day-to-day operations. The business strategy and plan as incorporated by the Company are consistent to bring sustainable corporate growth and long term benefits to all. The Board of the Company consists of experts to ensure highest standards of Corporate Governance Practices. It believes that the values and ethics, the Company follows in managing the affairs of the Company has been instrumental in position Taparia as a brand of trust.

2. BOARD OF DIRECTORS

Composition of Board:

The Board of Directors of the Company is an appropriate mix of Executive and Independent Directors to maintain independence on the Board and to separate its functions of governance and management. As on date, the Board consists of 11 members, four of whom are Promoter Directors, one is Executive Director and six are Independent Directors. The Managing Director of the Company is also functioning as the Executive Chairman.

Board Meetings:

Four Board Meetings were held during the year ended on 31 March 2012. These were held on May 7, 2011; August 13, 2011; November 13, 2011 and February 03, 2012. Maximum time gap between two Board Meetings did not exceed the limits as prescribed in Clause 49 of the Listing Agreement.

Attendance of Directors at the Board Meetings

Name of Director	Category	Meetings		Directorships in other public companies
		Board	AGM	
Shri H. N. Taparia	Chairman & MD, Promoter Director	4	Yes	1
Shri M. V. Gore	Independent Director	4	Yes	-
Shri P. N. Shah	Independent Director	4	-	6
Shri B. B. Ladda	Independent Director	4	-	-
Shri G. S. Manasawala	Independent Director	3	-	1
Shri Rajeev J. Mundra	Independent Director	3	-	2
Shri Virendra Bangur	Independent Director	-	-	5
Shri J. K. Taparia	Non-Executive, Promoter Director	4	Yes	-
Shri M. P. Taparia	Non-Executive, Promoter Director	4	Yes	-
Shri D. P. Taparia	Non-Executive, Promoter Director	4	Yes	1
Dr. M. G. Nathani	Executive Director	3	Yes	-

Shri P. N. Shah, Shri M. V. Gore and Shri J. K. Taparia are liable to retire by rotation and being eligible offer themselves for reappointment. Information as required under Clause 49 of the Listing Agreement is given in the Annexure to the Notice.

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of five Independent Directors, namely –

- | | |
|-------------------------------|--------------------------|
| a) Shri M. V. Gore - Chairman | b) Shri P. N. Shah |
| c) Shri B. B. Ladda | d) Shri G. S. Manasawala |
| e) Shri Rajeev J. Mundra | |

The members of the Committee have good exposure to law, finance and internal/external audit as well as in the areas of general management.

The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality of the financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the external auditors. The Committee recommends the selection, evaluation and where required the replacement of internal auditors and the statutory auditors. The Committee also recommends the fixing of audit fees and other payments for the services rendered by the auditors. All possible measures must be taken by the Committee to ensure the adequacy of internal control systems and reviewing the financial and risk management policies of the Company.

Four Meetings were held during the year – on May 7, 2011; August 13, 2011; November 13, 2011 and February 03, 2012.

Attendance of Directors at the Audit Committee Meetings

Name of the Director	Designation	No. of Meetings attended
Shri M.V. Gore	Chairman	4
Shri P.N. Shah	Member	4
Shri B.B. Ladda	Member	4
Shri G.S. Manasawala	Member	3
Shri Rajeev J. Mundra	Member	3

4. REMUNERATION COMMITTEE

The Audit Committee of the Company comprises of five Independent Director namely:

- | | |
|-------------------------------|--------------------------|
| a) Shri M. V. Gore - Chairman | b) Shri P. N. Shah |
| c) Shri B. B. Ladda | d) Shri G. S. Manasawala |
| e) Shri Rajeev J. Mundra | |

The main responsibility of the Committee is to look into all the elements of remuneration package of Managing Director / Executive Director.

The Committee has been constituted to recommend / review the remuneration packages for the Managing Director / Executive Director. The remuneration policy of the Committee is directed towards rewarding performance based on review of achievements on periodical basis.

One Remuneration Committee Meeting was held in the year under review on May 07, 2011. All the members of the Committee were present at the meeting.

Details of Sitting Fees on Non-Executive Directors & Independent Directors

Name of Director	Amount (₹)	Name of Director	Amount (₹)
Shri M.V. Gore	25,000	Shri B. B. Ladda	25,000
Shri P. N. Shah	25,000	Shri Virendra Bangur	0
Shri J. K. Taparia	20,000	Shri D. P. Taparia	20,000
Shri M. P. Taparia	15,000	Shri G. S. Manasawala	18,000
Shri Rajeev J. Mundra	19,000		
Total Sitting Fees Paid			1,67,000

(The above sitting fees are excluding reimbursement of travel and other expenses incurred for the business of the Company)

Sitting fees for Directors for the Meetings are as follows:

Board of Directors	:	₹ 5,000/- each meeting
Audit Committee, Remuneration Committee and Special Committee	:	₹ 1,000/- each meeting

Remuneration for Managing Director / Executive Director : (No Sitting Fees)

Name of Director	Salaries and Allowances	Perquisites
Shri H.N. Taparia Chairman & Managing Director	₹ 26,50,000/-	₹ Nil
Dr. M. G. Nathani Executive Director	₹ 19,61,596/-	₹ 25,700/-
Total Remuneration Paid	₹ 46,11,596/-	₹ 25,700/-

Salary includes Basic Salary, House Rent Allowance, Bonus, leave Encashment and Company's contribution to Provident Fund but excludes Company's contribution to Gratuity Fund.

5. SHAREHOLDERS GRIEVANCES /SHARE ALLOTMENT & TRANSFER COMMITTEE

The members of the Shareholders Grievances/Share Allotment and Transfer Committee of the Company are Shri D. P. Taparia, Chairman, Shri H. N. Taparia and Dr. M. G. Nathani.

Shri V. S. Datey, Company Secretary who is the Compliance Officer can be contacted at the registered office of the Company.

The purpose of this Committee of the Board of Directors is to review, deal and resolve the matters regarding Share Transfers, Transmission of shares, issue duplicate share certificates, splitting or consolidation of share certificates, redress shareholder complaints, approve the nominations received, etc.

During the year, seven meetings were held on April 29, 2011; May 7, 2011; August 13, 2011; September 30, 2011; December 03, 2011; January 28, 2012 and February 03, 2012. All the members of the Committee were present at all the meetings held.

Details of complaints received and resolved during the financial year ended March 31,2012

Complaints pending at the beginning of the year	Complaints received during the year	Complaints Resolved at the end of the year
0	4	3

6. SPECIAL COMMITTEE

The Special Committee comprises of five members namely, Shri H. N. Taparia - Chairman, Shri M. P. Taparia, Shri D. P. Taparia, Shri J. K. Taparia and Shri B. B. Ladda.

The Board has stipulated the responsibility to discuss and approve the Quarterly Unaudited /Audited Financial Results in case any meeting is not held for approving the same. Provided that when the Quarterly Unaudited/ Audited Financial Results are approved by the Committee they shall be placed before the Board at its next meeting. Provided further that while placing the financial results before the Board, the Chief Executive Officer and Chief Financial officer of the Company by whatever name called, shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statement or figure contained therein misleading.

To note the Limited Review Report duly reviewed by the statutory auditors of the company for the Unaudited/ Audited Financial Results before being submitted to the Bombay Stock Exchange Ltd provided that when the Limited Review Report is placed before the Committee they shall be placed before the Board at its next meeting.

To discuss, note, recommend and approve the matters which are required for the compliance of the Listing Agreement/Companies Act as amended from time to time.

During the year under review, no Special Committee Meeting was held.

7. GENERAL BODY MEETINGS

Location & time where the last three Annual General Meetings were held:

Year	Day & Date	Time	Location
2008-2009	Friday 25.09.2009	12.30 p.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2009-2010	Tuesday 28.09.2010	12.30 p.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2010-2011	Friday 30.09.2011	01.00 p.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002

Details of Special Resolutions passed in the above referred meetings are given below:

Date of the AGM	Number of Special Resolutions passed	Subject matter
September 25, 2009	2	Increase in the ceiling limit of remuneration of the Chairman & Managing Director and the Executive Director.
September 28, 2010	1	Re-appointment of Shri H.N. Taparia as Managing Director for a further period of 5 years.
September 30, 2011	2	a) Increase in the ceiling limit of remuneration of the Managing Director b) Re-appointment of Dr. M. G. Nathani as the Executive Director and increase in the ceiling limit of remuneration payable to him.

8. DISCLOSURES

Related Party Transactions

The details of the related party transactions during the year under review are shown in the Notes to Accounts which form part of this Report.

Compliances by the Companies

The Company has complied with various rules and regulations prescribed by Stock Exchange, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

Details of adoption of non-mandatory requirements under Clause 49 of the Listing Agreement by the Company

- The Company has constituted Remuneration Committee, full details are furnished in this report.
- The Financial Results of the Company are published in the newspapers on quarterly basis. Hence, they are not sent to each household of the shareholders.

- c) The statutory financial statements of the Company are unqualified.
- d) The Board of Directors of the Company consists of an optimal blend of Company Executives and Independent professionals having knowledge of Business and expertise in their area of specialization.

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board/Special Committee of the Board. These are also published in the newspapers.

10. CODE OF CONDUCT

The members of the Board of Directors of TAPARIA TOOLS LTD acknowledge and accept the scope and extent of their duties as Directors.

The Code of Conduct as adopted by the Board of Directors is applicable to all Board Members, Senior Management and Head of Departments of the Company. They are entrusted with and are responsible for the oversight of the assets and business affairs of TAPARIA TOOLS LTD. in an honest, fair, diligent and ethical manner. They must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interests of the Company.

A declaration by the Chairman and Managing Director of the Company affirming the compliance of the Code by the Board Members and Senior Management is given at the end of the report.

11. GENERAL SHAREHOLDERS INFORMATION:

i) Annual General Meeting

Day, Date & Time	: Monday, September 17, 2012 at 1.00 p.m.
Venue	: Hotel Emerald Park, Sharanpur Link Road, Nashik – 422 002

ii) Financial Calendar

Year Ending	: March 2013
Quarterly Results	: To be declared within 45 days from the relevant quarter.
Meeting for consideration of quarterly unaudited results	: Within 45 days from end of quarter as per the Listing Agreement with the Bombay Stock Exchange
Audited results for the year ending on 31st March 2013	: July / August 2013
Annual General Meeting for the year 2013	: September 2013

iii) Date of Book Closure

From 13th September, 2012 (Thursday) to 17th September, 2012 (Monday), inclusive of both days.

iv) Dividend Payment Date

No Dividend for Financial Year 2011-12 is proposed.

v) Listing on Stock Exchange and Stock Code

Sr. No.	Stock Exchange	Stock Code	Address
1	Bombay Stock Exchange Limited	505685	Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001

The Company has paid Annual Listing Fees to BSE, Mumbai for the financial years 2010-2011, 2011-12 and 2012-13.

vi) Market Price Data

Shares are not traded on Stock Exchange. The transfers were only on private basis.

vii) Registrar & Share Transfer Agents

The Company has not appointed any Registrar and Share Transfer Agent as the shares are not in De-materialized form and there is In-house facility for Share Transfer and Registration.

viii) Share Transfer System

Shares sent for transfer in physical form are registered by the Company within 30 days of receipt of the documents, if documents are found in order.

ix) Distribution of Shareholdings as on 31st March 2012:

Sr. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shareholdings	% of shareholdings
1	Upto - 5000	375	91.46	69169	2.28
2	5001 - 10000	0	0.00	0	0.00
3	10001 - 20000	2	0.49	27218	0.90
4	20001 - 30000	2	0.49	47419	1.56
5	30001 - 40000	4	0.98	143707	4.73
6	40001 - 50000	5	1.22	233998	7.71
7	50001 - 100000	11	2.68	700935	23.09
8	100001 & above	11	2.68	1813304	59.73
	TOTAL	410	100	3035750	100

x) Shareholding Pattern as on 31st March 2012:

Category of shareholders	No. of shareholders	No. of shares	%age of shareholding
Promoters	22	2045396	67.38
Bodies Corporate (Promoters)	1	25300	0.83
Bodies Corporate (Others)	5	424834	13.99
Foreign Investors	1	16500	0.54
Others	381	523720	17.26
TOTAL	410	3035750	100

xi) Dematerialisation and Liquidity:

Dematerialisation of shares has not been made so far. There were no transactions in stock exchange during the year under report.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable

xii) Plant Locations

- Nasik : 52 & 52B, MIDC Area, Satpur, Trimbak Road, Nashik - 422 007 (Maharashtra)
- Goa : Plot No. L-29, Cuncolim Industrial Estate, Cuncolim - 403 703 (Goa)

xiii) Registered Office and Address for correspondence

52 & 52B, MIDC Area, Satpur, Trimbak Road, Nashik - 422 007 (Maharashtra)

For and on behalf of the Board,

Mumbai,
26th May, 2012

H.N. Taparia
Chairman & Managing Director

Code of Conduct

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

For and on behalf of the Board,

Mumbai,
26th May, 2012

H.N. Taparia
Chairman & Managing Director

CEO/CFO CERTIFICATION

We, H.N. Taparia, Chairman and Managing Director and S.R. Bagad, Asst. General Manager - Finance of Taparia Tools Limited, certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or in violation of the company's Code of conduct.
3. We accept overall responsibility for the company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. We indicate to the auditors and to the audit committee:
 - (a) Significant changes in internal control over financial reporting during the year;
 - (b) Significant changes in accounting policies during the year;
 - (c) Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

H.N. Taparia
Chairman & Managing Director

S.R. Bagad
Asst. General Manager- Finance

Mumbai,
26th May, 2012

Auditors' Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement

To the Shareholders of Taparia Tools Limited,

We have examined the compliance of the conditions of Corporate Governance by Taparia Tools Limited for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange, Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no Investor Grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/Investors Grievance Committee.

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

Mumbai,
26th May, 2012

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No. 101048W

Kaushal A. Mehta
Partner
Membership no. 111749

Auditors' Report to the Members of Taparia Tools Ltd.

1. We have audited the attached Balance Sheet of Taparia Tools Limited ('the Company') as at 31st March 2012, the Profit and 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.
2. We conducted our audit in accordance with the 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 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 the Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of 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.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) 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;
 - (c) The Balance Sheet, Profit and 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, the Profit and 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 the written representations received from directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted In India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For BATLIBOI & PUROHIT
Chartered Accountants
 Firm Reg. No. 101048W

Kaushal A. Mehta
Partner
Membership no. 111749

Mumbai,
 26th May, 2012

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the Management during the year but there is a phased program of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management, except stock lying with third parties. Confirmations of such stocks with third parties have been obtained by the Company in most of the cases. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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 and the discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- (iii) (a) According to information and explanations given to us the Company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003, are not applicable.
- (b) According to information and explanations given to us 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 Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the Public within the meaning of sections 58A, 58AA or any other relevant provisions of the Act.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom 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 provident fund, investor education and

protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, details of dues of sales tax, income tax, customs duty, wealth tax, service tax excise duty, Octroi Duty and cess which have not been deposited on account of any dispute are given below:

Nature of dues	Financial years to which the matter pertains	Forum where dispute is pending	Amount (₹ in lakhs)
Octroi Duty	1984, 1985, 1986	High Court, Mumbai.	4.23
Octroi Duty	1984, 1985, 1988	High Court, Mumbai.	0.68

- (x) The company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and bank.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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.
- (xiv) In our opinion, 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.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) Based on the information and explanations given to us, no term loans have been taken by the Company.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet and Cash Flows of the Company, in our opinion no funds raised on short term basis have been used for long term investment.
- (xviii) 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 Companies Act, 1956.
- (xix) In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by Public issues.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For BATLIBOI & PUROHIT
Chartered Accountants
 Firm Reg. No. 101048W

Kaushal A. Mehta
 Partner

Membership no. 111749

Mumbai,
 26th May, 2012

*BALANCE SHEET as at 31st March, 2012**(₹ in Lakhs)*

	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	303.58	303.58
Reserves & Surplus	2	3,444.02	2,722.22
		<u>3,747.60</u>	<u>3,025.80</u>
Non-Current Liabilities			
Long-term borrowings	3	58.79	89.99
Long term provisions	4	168.49	152.59
		<u>227.28</u>	<u>242.58</u>
Current Liabilities			
Short-term borrowings	5	2,801.54	1,479.31
Trade payables		2,933.63	2,835.36
Other current liabilities	6	230.39	290.20
Short-term provisions	7	85.08	63.03
		<u>6,050.64</u>	<u>4,667.90</u>
Total		<u>10,025.52</u>	<u>7,936.28</u>
ASSETS			
Non-current assets			
Fixed Assets			
Tangible	8	411.28	407.00
Intangible		8.13	13.56
Deferred tax assets (net)		35.45	17.88
Long term loans and advances	9	52.52	50.60
		<u>507.38</u>	<u>489.04</u>
Current assets			
Inventories	10	5,520.32	3,795.59
Trade receivables	11	1,653.70	1,595.01
Cash and cash equivalents	12	52.95	41.97
Short-term loans and advances	13	2,272.65	1,996.26
Other current assets	14	18.52	18.41
		<u>9,518.14</u>	<u>7,447.24</u>
Total		<u>10,025.52</u>	<u>7,936.28</u>

As per our report of even date

For BATLIBOI & PUROHIT
Chartered Accountants
(Firm Reg. No. 101048W)

H. N. TAPARIA
Chairman & Managing Director

KAUSHAL A. MEHTA
Partner
(Membership No.111749)
Mumbai, 26th May, 2012

V. S. DATEY
Company Secretary
Mumbai
26th May, 2012

D. P. TAPARIA
Director

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2012

(₹ in Lakhs)

	Note No.	2011-12	2010-11
INCOME			
Revenue from operations	15	22,285.54	18,471.92
Other Income	16	133.71	3.94
Total Revenue		<u>22,419.25</u>	<u>18,475.86</u>
EXPENDITURE			
Cost of materials consumed	17	1,564.21	1,862.23
Purchase of Stock-in-Trade		14,222.97	11,096.71
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(1,722.87)	(1,008.99)
Employee Benefit Expenses	19	1,880.98	1,698.62
Financial costs	20	201.76	114.74
Depreciation and amortization expense	21	63.30	58.31
Other expenses	22	5,082.05	3,790.90
Total Expenses		<u>21,292.40</u>	<u>17,612.52</u>
Profit Before Tax		1,126.85	863.34
Tax Expenses :			
Current Tax		417.00	294.00
Deffered Tax		(17.57)	(11.10)
		<u>399.43</u>	<u>282.90</u>
Profit for the year		<u>727.42</u>	<u>580.44</u>
Earning per equity share (in ₹)		23.96	19.12
Significant Accounting Policies	23		
Notes on Financial Statements	24 - 37		

As per our report of even date

For BATLIBOI & PUROHIT
Chartered Accountants
(Firm Reg. No. 101048W)

H. N. TAPARIA
Chairman & Managing Director

KAUSHAL A. MEHTA
Partner
(Membership No.111749)
Mumbai, 26th May, 2012

V. S. DATEY
Company Secretary
Mumbai
26th May, 2012

D. P. TAPARIA
Director

Notes of Financial Statements

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
1 SHARE CAPITAL		
Authorised Share Capital (50,00,000 Equity Shares of ₹ 10/- Each)	500.00	500.00
Issued, Subscribed and Paid up (30,35,750 Equity Shares of ₹ 10/- Each fully paid-up)	303.58	303.58
a) Reconciliation of Shares Outstanding		
Balance at the beginning of the year	30,35,750	30,35,750
Issued during the year	-	-
Balance at the end of the year	30,35,750	30,35,750
b) Details of Shares holders holding more than 5% shares		
Names of shareholders		
1. Shri Harnarayan Taparia	11.38%	12.45%
2. Veer Enterprises Ltd	8.71%	8.71%
3. Mrs. Rajdulari Devi Taparia	5.96%	4.90%
c) Rights, Preference and Restriction attached to Shares		
The Company has one class of Equity Shares having par value of ₹10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
2 RESERVES AND SURPLUS		
Capital Reserves		
Balance at the beginning and end of the year	45.00	45.00
Securities Premium Reserve		
Balance at the beginning and end of the year	50.00	50.00
Revaluation Reserve		
As per last Balance Sheet	116.14	121.27
Transferred to Statement of Profit & Loss	(5.62)	(5.13)
Balance at the end of the year	110.52	116.14
General Reserve		
Balance at the beginning of the year	807.72	747.72
Transferred from Statement of Profit & Loss	73.00	60.00
Balance at the end of the year	880.72	807.72
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	1,703.36	1,182.92
Add : Profit for the year	727.42	580.44
Less : Transferred to General Reserve	(73.00)	(60.00)
Balance at the end of the year	2,357.78	1,703.36
	3,444.02	2,722.22

Notes of Financial Statements

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
3. LONG TERM BORROWINGS		
Deferred Payment Liabilities		
Sales Tax Deferral Loans (Unsecured)	58.79	89.99
	<u>58.79</u>	<u>89.99</u>
4. LONG TERM PROVISIONS		
Provision for employees benefits & Others		
For Leave Encashment	117.03	85.13
For Group Gratuity	51.46	67.46
	<u>168.49</u>	<u>152.59</u>
5. SHORT TERM BORROWINGS		
Loans repayable on demand from Bank		
Working Capital Loan from HDFC Bank Ltd. (Secured)	2,770.35	1,428.17
Note : Loans from the bank are secured by the Hypothecation of raw material, stores including consumable tools,dies etc. finished & semi finished goods, stock-in-trade, land & buildings		
Other loans and advances :		
Sales Tax Deferral Loans (Unsecured)	31.19	51.14
	<u>2,801.54</u>	<u>1,479.31</u>
6. OTHER CURRENT LIABILITIES		
* Unpaid / Unclaimed dividends	0.28	0.21
Other Payables :		
Payable towards statutory liabilities	80.29	114.09
Advance from Customers	37.53	60.85
Employee Benefits payable	112.29	115.05
	<u>230.11</u>	<u>289.99</u>
	<u>230.39</u>	<u>290.20</u>
* Includes statutory dues & payable to customers		
7. SHORT TERM PROVISIONS		
Income Tax	35.54	-
Group Gratuity	49.54	63.03
	<u>85.08</u>	<u>63.03</u>

Notes of Financial Statements

8. FIXED ASSETS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Sale/Disposal during the year	As on 31.03.2012	Up to 01.04.2011	For the year	Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
(A) Tangible Assets:										
(I) Own Assets										
1) Land	19.02	-	-	19.02	-	-	-	-	19.02	19.02
2) Buildings	604.36	3.18	-	607.54	403.75	15.79	-	419.54	188.00	200.61
3) Plant & Equipment	1,795.52	14.38	-	1,809.90	1,718.66	22.80	-	1,741.46	68.44	76.86
4) Furniture & Fixtures	55.52	1.95	-	57.47	40.65	2.77	-	43.42	14.05	14.87
5) Vehicle	26.24	37.71	2.02	61.93	17.91	10.26	(1.40)	26.77	35.16	8.33
6) Office Equipment	17.28	6.23	-	23.51	11.48	1.28	-	12.76	10.75	5.80
7) Others										
(a) Electrical Installations	97.82	0.89	-	98.71	81.89	2.25	-	84.14	14.57	15.93
(b) Computers	59.55	4.05	-	63.60	42.41	8.00	-	50.41	13.20	17.14
Sub Total	2,675.31	68.39	2.02	2,741.68	2,316.75	63.15	(1.40)	2,378.49	363.19	358.56
(II) Leased Assets										
Land	64.54	-	-	64.54	16.10	0.35	-	16.45	48.09	48.44
Total (A)	2,739.85	68.39	2.02	2,806.22	2,332.85	63.50	(1.40)	2,394.95	411.28	407.00
(B) Intangible Assets :										
Software	41.37	-	-	41.37	27.81	5.42	-	33.23	8.13	13.56
Total (A) + (B)	2,781.22	68.39	2.02	2,847.59	2,360.66	68.92	(1.40)	2,428.18	419.41	420.56
Previous Year	2,746.17	56.00	(20.96)	2,781.21	2,313.28	63.44	(16.07)	2,360.65	420.56	432.90

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
--	---------------------------	---------------------------

9. LONG-TERM LOANS & ADVANCES

Security Deposits	52.52	50.60
	<u>52.52</u>	<u>50.60</u>

10. INVENTORIES

Raw materials	616.06	611.00
Work-in-progress	762.82	617.60
Finished goods	190.51	85.34
Stock-in-trade	3,687.35	2,200.21
Stores and spares	189.49	206.76
Others		
Components	61.21	47.13
Scrap	12.88	27.55
	<u>5,520.32</u>	<u>3,795.59</u>

11. TRADE RECEIVABLES

Unsecured, Considered Good

Outstanding for a period exceeding six months	-	5.39
Others	1,653.70	1,589.62
	<u>1,653.70</u>	<u>1,595.01</u>

Notes of Financial Statements

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
12. CASH & CASH EQUIVALENTS		
Balances with Banks	14.85	21.59
Cash on hand	2.74	3.58
Other Bank balances :		
Margin money against LC	35.36	16.80
	<u>52.95</u>	<u>41.97</u>
13. SHORT-TERM LOANS AND ADVANCES		
Others		
<i>Unsecured (but considered good)</i>		
Advance to Employees	4.93	3.46
Advance to Suppliers	129.03	50.02
Advance Income Tax & T.D.S (Net)	12.58	93.96
M.V.A.T. Receivable	1,968.01	1,711.85
Balance with Government Authorities*	75.79	126.84
SAD Receivable	82.31	10.13
	<u>2,272.65</u>	<u>1,996.26</u>
* Service Tax, Cenvat, etc		
14. OTHER CURRENT ASSETS		
Prepaid Expenses	11.53	14.45
Interest Receivable	6.99	3.96
	<u>18.52</u>	<u>18.41</u>

Notes of Financial Statements

(₹ in Lakhs)

	2011-2012	2010-2011
15. REVENUE FROM OPERATIONS		
Sale of Products		
Hand Tools Manufactured	7,192.84	6,471.47
Hand Tools Stock -in-trade	15,526.53	12,341.48
Other Operating Revenues		
Sale of Scrap	244.09	270.08
Premium on DEPB Licence	15.50	9.93
	<u>22,978.96</u>	<u>19,092.96</u>
Less: Excise Duty	693.42	621.04
	<u>22,285.54</u>	<u>18,471.92</u>
16. OTHER INCOME		
Interest Income	29.16	2.96
Net Gain/ (Loss) on sale of Fixes Assets	0.08	0.47
SAD Receivable	73.98	0.29
Sundry Credit balances Written Back	30.49	0.22
	<u>133.71</u>	<u>3.94</u>
17. COST OF MATERIAL CONSUMED		
Raw Material		
Opening Stock	611.00	432.05
Add : Purchases	1,569.27	2,041.18
	<u>2,180.27</u>	<u>2,473.23</u>
Less : Closing Stock	616.06	611.00
	<u>1,564.21</u>	<u>1,862.23</u>
Details of Raw Material consumed		
Steel	1,115.73	1,446.08
Cellulose Acetate Granules and others	448.48	416.15
	<u>1,564.21</u>	<u>1,862.23</u>
18. CHANGES IN INVENTORY		
Opening Stock		
Finished Goods	85.34	70.50
Work-in-Progress	617.60	362.03
Scrap	27.55	18.76
Stock in Trade	2,200.21	1,470.42
	<u>2,930.70</u>	<u>1,921.71</u>
C/F		

Notes of Financial Statements

(₹ in Lakhs)

	2011-2012	2010-2011
B/F	2,930.70	1,921.71
Less : Closing Stock		
Finished Goods	190.51	85.34
Work-in-Progress	762.82	617.60
Scrap	12.89	27.55
Stock in Trade	3,687.35	2,200.21
	<u>4,653.57</u>	<u>2,930.70</u>
	(1,722.87)	(1,008.99)
19. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	1,638.65	1,438.65
Managerial Remuneration	44.24	29.05
Contribution to PF and Other Funds	125.49	129.32
Employee Group Gratuity	34.94	63.99
Staff Welfare Expenses	37.66	37.61
	<u>1,880.98</u>	<u>1,698.62</u>
20. FINANCE COST		
Interest expense	201.76	114.74
	<u>201.76</u>	<u>114.74</u>
21. DEPRICIATION & AMORTISATION EXPENSES		
Depreciation for the year	68.92	63.45
<i>(As per Note 9 to the Balance Sheet)</i>		
Less : Transferred from Fixed Assets		
Revaluation Reserve	5.62	5.14
	<u>63.30</u>	<u>58.31</u>
22. OTHER EXPENSES		
Manufacturing Expenses:		
Consumption of stores and spare parts	750.56	572.20
Power and fuel	541.80	450.06
Water Charges	7.61	6.66
Repairs to buildings	15.39	2.60
Repairs to machinery	43.80	12.68
Freight & Carriage	193.40	146.24
Other Manufacturing Expenses	730.31	362.08
	<u>2,282.87</u>	<u>1,552.52</u>
C/F	2,282.87	1,552.52

*Notes of Financial Statements**(₹ in Lakhs)*

	2011-2012	2010-2011
	B/F	
	2,282.87	1,552.52
<u>Other Administrative Expenses:</u>		
Rent, Rates & Taxes	180.11	23.30
Travelling & Conveyance	49.36	32.25
Insurance	20.60	12.11
Professional & Legal Expenses	13.68	15.74
Directors' Sitting Fees	1.67	1.79
Repairs to Other	4.23	2.70
Bank Charges	8.68	31.14
<u>Auditors' Remuneration:</u>		-
As Auditors	1.20	1.00
Taxation Matters	0.68	0.68
Company Law Matters	0.15	0.15
Reimbursement of Expenses	0.44	0.55
Car Expenses	6.70	7.07
Bad Debts Written Off	8.62	0.01
Miscellaneous Expenses	82.26	77.24
	<u>378.38</u>	<u>205.73</u>
<u>Selling & Distribution Expenses:</u>		
Forwarding Expenses	275.50	228.02
Advertising/Sales Promotion Expenses and Incentive	527.16	439.71
Selling Commission	1,618.14	1,364.92
	<u>2,420.80</u>	<u>2,032.65</u>
	<u>5,082.05</u>	<u>3,790.90</u>

Notes forming part of the Financial Statements

23. Significant Accounting Policies:

- a) Basis of accounting and preparation of financial statements
The financial statements are prepared on accrual basis and comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956.
- b) Fixed Assets
Fixed Assets are stated at cost of acquisition inclusive of freight, duties and taxes and incidental expenses and adjusted by revaluation of certain assets.
- c) Depreciation and Amortization
Depreciation on fixed assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.
- d) Inventories
Inventories are valued at the lower of weighted average cost and net realizable value except waste / scrap which is valued at realizable value.
Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable inventories are duly provided for.
- e) Employee benefits
 - i) Retirement Benefits
The Company's contributions to Provident Fund/Gratuity are charged against revenue. The Gratuity Benefits are administered by a trust formed for this purpose through the Group Gratuity Scheme of the LIC of India and contributions are made on actuarial valuation basis.
 - ii) Leave Encashment Benefits
Employees of the Company are eligible for leave Encashment Benefit as per rules of the Company. Provision for Leave Encashment is determined accordingly and provided in the Accounts.
- f) Investments
Current investments carried at lower of cost or fair value. Long-term investments are stated at cost after making provision for diminution in the value, other than temporary.
- g) Deferred Tax:
The Company has accounted for Deferred Tax in accordance with the Accounting Standard - 22 "Accounting for taxes on Income" issued by the Council of the Institute of Chartered Accountants of India. Accordingly, the deferred tax during the year for timing difference is accounted using tax rates that have been enacted; the net difference arising thereon is debited to Profit and Loss Account.
- h) Revenue Recognition
Sales are recognized, net of returns and trade discount, on dispatch of goods to customers, sales tax and value added tax are excluded.
- i) Prior Period Items
Prior period items, if material, are separately disclosed in the Profit and Loss account together with the nature and amount.
- j) Foreign currency transactions
Foreign currency transactions are accounted for at the rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities at the Balance Sheet date are restated at year-end rate.
- k) Lease Accounting
Operating Leases: Leasing of assets whereby the lessor essentially remains the owner of the asset classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing

contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, accordingly to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

l) Borrowing Costs

Borrowing Cost is charged to Profit and Loss Account.

m) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognized in prior years is recorded when there is an indication that impairment loss recognized for the asset no longer exists or has been decreased.

24) Provisions and contingencies

Contingent Liabilities as on 31-03-2012 not provided for in respect of:

- Estimated amount of contract remaining to be executed on capital account is Nil (Nil).
- Claims against the Company not acknowledged as Debts are ₹ 45.41 lakhs (₹ 45.41 lakhs).

25) Depreciation

Depreciation for the year on revised future life as ascertained by Valuers and revalued figures of fixed assets and that on the original cost of the fixed assets work out to ₹ 68,91,724 and ₹ 63,29,328 respectively. The transfer of ₹ 5,62,396 from Fixed Assets Revaluation Reserve to Profit and Loss Account represents difference between depreciation on revalued figures and that on original cost.

26) Segment reporting

The Company is exclusively in the hand tools business segment.

27) Related Party Disclosures

Disclosures as required by Accounting Standard - 18 "Related Party Disclosures" are given below:

- List of Related Parties/Associates/Subsidiary Companies : Nil
- Key Management Personnel (KMP) : Shri H. N. Taparia (Chairman and Managing Director)
Dr. M. G. Nathani (Executive Director)
- Details of transactions relating to KMP as referred to in item (b) above : Remuneration : ₹ 44.24 lakhs (Refer Note No. 8)

28) Earnings per share

	March 31, 2012	March 31, 2011
a) Net Profit as per P&L Account available for Equity Shareholders	₹ 727.42 lakhs	₹ 580.44 lakhs
b) No. of Equity Shares Basic/Diluted	30,35,750	30,35,750
c) Earnings per share	₹ 23.96	₹ 19.12

29) Deferred Tax Assets and Liabilities

The breakup of deferred tax assets and liabilities into major components at the year-end is as below:

	March 31, 2012	March 31, 2011
	(₹ in lakhs)	(₹ in lakhs)
Deferred Tax Assets:		
Depreciation	14.25	10.68
Expenditure u/s. 43B of the Income Tax Act, 1961	21.20	7.20
Net deferred tax Asset/ (Liability)	<u>35.45</u>	<u>17.88</u>

30) Remuneration of Managerial Personnel

Remuneration to Managing Director/Whole time Directors paid/payable during the year u/s 198 of the Companies Act, 1956: (₹ in lakhs)

	2011-2012	2010-2011
Salaries and Allowances	44.24	29.05
Perquisites	0.26	0.24
TOTAL	44.50	29.29

Note: As the liability for gratuity and leave encashment is provided on an actuarial basis of the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore, not included above.

31) Debtors

Some of Debit & Credit Balances on Debtors' account and Loans & Advances remain unconfirmed.

32) Lease

The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognized in Statement of Profit and Loss ₹ 15.04 lakhs (previous year ₹ 16.18 lakhs)

33) Foreign Currency Exposure

Particulars of Unhedged Foreign Currency Exposure as at 31-03-2012 are as under:

Particulars of Derivative	2011-2012		2010-2011	
	Amount (₹)	Foreign Currency (US \$)	Amount (₹)	Foreign Currency (US \$)
Export Debtors	24,16,899	47,511.28	44,80,976	1,00,786.69

34) Retirement Benefit Plans

a) Defined Contribution Plans:

Contribution to Defined contribution Plans is recognized as expense in the Profit and Loss Account, as they are incurred.

b) Defined Benefit Plan:

The Company makes annual contributions to employees' group gratuity-cum-life assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the company's financial statement as at March 31st, 2012:

			(₹ in lakhs)	
Sr. No.		As at 31 st March 2012	As at 31 st March 2011	
I	<i>Change in benefit obligation</i>			
	Projected benefit obligation as on 01-04-2011	532.84	494.25	
	Service Cost	17.96	32.54	
	Interest Cost	42.63	39.54	
	Actuarial (gain)/loss	34.62	26.19	
	Benefit paid	(63.03)	(59.68)	
	Projected benefit obligation, end of the year	565.02	532.84	
II	<i>Change in plan assets</i>			
	Fair value plan assets as on 01-04-2011	402.34	398.68	
	Expected return on plan assets	32.19	31.83	
	Employer's contributions	64.44	29.07	
	Benefit paid	(63.02)	(59.68)	
	Actuarial gain	3.89	2.44	
	Fair value of plan assets at the year end	439.83	402.34	
	Excess of (obligation over plan assets)/ plan assets over obligation	30.73	23.75	
III	<i>Net gratuity and other cost for the year ended March 31st, 2012</i>			
	Service cost	17.96	32.54	
	Interest on defined benefit obligation	42.63	39.54	
	Expected return on plan assets	(32.19)	(31.83)	
	Net actuarial gain recognized in the year	30.73	23.75	
	Net gratuity and other costs	59.13	63.99	
IV	<i>Category of assets as at March 31st, 2012</i>			
	Insurer Managed Funds	439.83	402.34	
	Others	-	-	
	Total	439.83	402.34	
V	<i>Assumptions used in accounting for the gratuity plan</i>	%	%	
	Discount rate	8.50	8.00	
	Salary escalation rate	5.00	4.00	
	Expected rate of the return on plan assets	8.60	8.00	

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.

35) Research and Development Expenses

Expenditure on Research and Development is as under:

a) Capital	-
b) Recurring	₹ 70.10 Lakhs
c) Total	₹ 70.10 Lakhs
d) Total R and D Expenditure as percentage of total turnover	0.31%

36) Previous year's figures have been recast/regrouped wherever necessary.

37) Additional Information:

(i) Details of Opening Stock, Closing Stock and Sales.

(₹ in Lakhs)

Particulars	2011-2012			2010-2011		
	Opening Stock	Sales	Closing Stock	Opening Stock	Sales	Closing Stock
(a) Hand Tools manufactured	85.33	6626.56	190.51	154.73	6012.45	85.33
(b) Stock-in-trade	2200.21	15658.98	3687.36	1386.19	12459.46	2200.21

(ii) Value of consumption of Raw Materials, Stores, Spare Parts and Components

	(₹ in Lakhs)		Percentage	
Imported	5.48	(Nil)	0.30%	(Nil)
Indigenous	1822.59	(2434.43)	99.70%	(100%)

(iii) Value of Imports on CIF Basis

Raw materials			Nil	(Nil)
Stores and Spare parts			Nil	(Nil)
Capital Goods			Nil	(Nil)
Stock-in-Trade	1583.94	(203.64)		

(iv) Expenditure in Foreign Currency

Travel	5.41	(4.01)
Others	1592.42	(78.49)

(v) Remittance in Foreign Currency

Nil (Nil)

(vi) Earnings in Foreign Currency

FOB Value of Exports	278.18	(244.89)
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Note : Figures in brackets are of previous year

Signatures to Notes 1 to 37

As per our report of even date

For BATLIBOI & PUROHIT
Chartered Accountants
(Firm Reg. No. 101048W)

H. N. TAPARIA
Chairman & Managing Director

KAUSHAL A. MEHTA
Partner
(Membership No.111749)
Mumbai, 26th May, 2012

V. S. DATEY
Company Secretary
Mumbai
26th May, 2012

D. P. TAPARIA
Director

Cash Flow Statement

(₹ in lakhs)

	2011-12	2010-11
A Cash Flow from Operating Activities		
Net Profit before tax	1,126.85	863.34
<i>Adjusted for :</i>		
Depreciation	63.30	58.31
(Gain) on sale of fixed assets	(0.08)	(0.47)
Finance Cost	201.76	114.74
	264.98	
Operating Profit before working Capital Changes	1,391.83	1,035.92
Working capital changes:		
Inventories	(1,724.73)	(1,229.79)
Trade receivables	(58.70)	(287.01)
Short-term loans and advances	(276.39)	(954.52)
Other current assets	(0.11)	(40.13)
Trade payables	98.27	1,651.22
Other current liabilities	(59.81)	(84.08)
Short Term Provisions	(13.49)	63.03
Long Term Provisions	15.89	(19.28)
	(2,019.07)	(900.56)
Cash Generated from Operations	(627.24)	135.36
Income Tax Paid	381.45	325.36
Net Cash flow from Operating Activities	(1,008.69)	(190.00)
B Cash Inflow from investing activities		
Purchase of fixed assets	(68.40)	(55.99)
Sale of fixed assets	0.71	5.36
Increase in other long-term loans and advances	(1.91)	(0.37)
Net Cash used in investing activities	(69.60)	(51.00)

(₹ in lakhs)

	2011-12	2010-11
C Cash Inflow from financing activities		
(a) Repayment of long-term borrowings	(31.19)	(51.13)
(b) Proceeds from short-term borrowings	1,322.22	400.94
(c) Fiance Cost	(201.76)	(114.74)
Net Cash flow from financing activities	1,089.27	235.07
Net (decrease)/increase in cash and cash equivalents (A+B+C)	10.98	(5.93)
Add: Cash and cash equivalents at the beginning of the period	41.97	47.90
Cash and cash equivalents at the end of the period	52.95	41.97

As per our report of even date

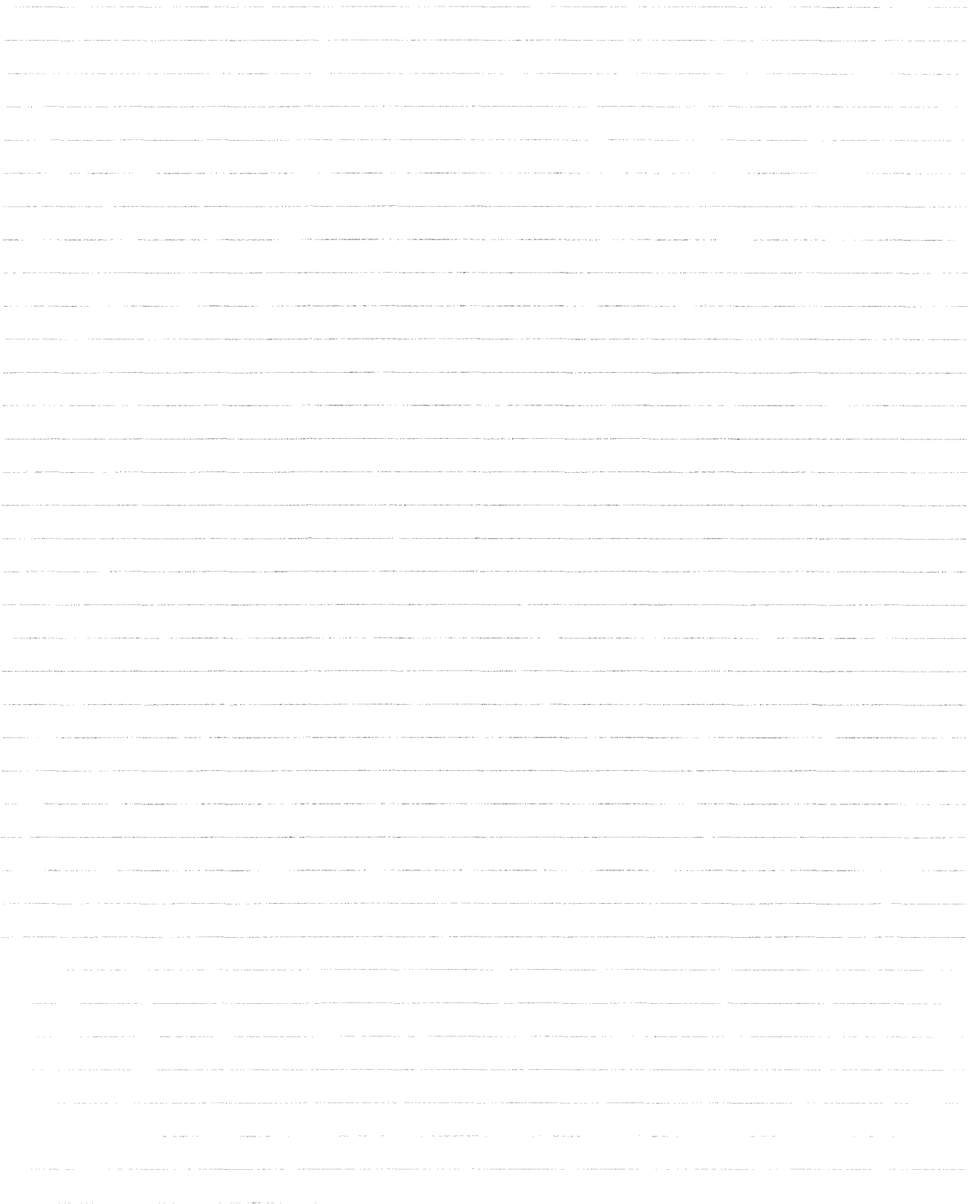
For BATLIBOI & PUROHIT
Chartered Accountants
(Firm Reg. No. 101048W)

H. N. TAPARIA
Chairman & Managing Director

KAUSHAL A. MEHTA
Partner
(Membership No.111749)
Mumbai, 26th May, 2012

V. S. DATEY
Company Secretary
Mumbai
26th May, 2012

D. P. TAPARIA
Director





TAPARIA TOOLS LTD.

Regd. Office : 52 & 52B, MIDC Area, Satpur, Trimbak Road, Nashik - 422 007

ATTENDANCE SLIP 46TH ANNUAL GENERAL MEETING

Name of the attending Member	
Member's Folio Number	
Name of the Proxy	

I hereby record my presence at the 46th Annual General Meeting of the Shareholders of the Company at Emerald Park, Sharanpur Link Road, Nashik - 422 002 on Monday, the 17th day of September, 2012 at 1.00 p.m.

Member's/Proxy's Signature

NOTES:

1. The Member/proxy must bring the attendance slip to the Meeting duly completed and signed and hand over the same at the entrance of the Meeting Hall.
2. Please bring your copy of enclosed Annual Report and Accounts.
3. No attendance slip will be issued on the date of Annual General Meeting.
4. Photo copy/torn attendance slip will not be accepted at the entrance of the Meeting Hall.

PROXY FORM

I/We _____
of _____
being a Member/Members of Taparia Tools Ltd., hereby appoint _____
_____ of _____ or failing him
_____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Monday, the 17th September, 2012 or at any adjournment thereof.

As witness my/our hand(s) this _____ Day of _____, 2012

Affix ₹ 1
Revenue
Stamp

Signed by the said : _____

Regd. Folio No. : _____

No. of Equity Shares held : _____

Note: The proxy duly completed must be returned so as to reach the Registered Office of the Company at 52 & 52B, MIDC Area, Trimbak Road, Satpur, Nashik - 422 007 not less than FORTY-EIGHT HOURS before the