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Board of Directors

Shri H.N. Taparia - Chairman & Managing Director

Shri M.V. Gore

Shri P.N. Shah

Shri B.B. Ladda

Shri G.S. Manasawala

Shri J.K. Taparia

Shri M.P. Taparia

Shri D.P. Taparia

Shri Virendra Bangur

Shri R.N.R. Malani (upto 30-01-2010)

Shri Rajeev J. Mundra (w.e.f 30-01-2010)

Dr. M.G. Nathani - Executive Director

Company Secretary

Shri V.S. Datey

Bankers

Central Bank of India

Solicitors

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

Auditors

M/s. Batliboi & Purohit, Mumbai

Corporate Office

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

Telephone : (91) (22) 24938646-50,

Fax : (91) (22) 24953230

E-Mail : htaparia@bom5.vsnl.net.in

Registered Office

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

Telephone : (0253) 2350317/2350318/2350418,

Fax : (0253) 2350740

E-Mail : nashik@tapariatools.com

Plants

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

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

Website

<http://www.tapariatools.com>

TAPARIA TOOLS LTD.

NOTICE

NOTICE is hereby given that Forty Fourth Annual General Meeting of TAPARIA TOOLS LIMITED will be held at Emerald Park, Sharanpur Link Road, Nashik – 422 002 on Tuesday, the 28th day of September, 2010 at 12.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit and Loss Account 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 B. B. Ladda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri G. S. Manasawala, 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.

Special Business:

6. To consider & if thought fit, to pass, with / without modification/s, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, Shri H. N. Taparia be and is hereby appointed as Managing Director of the Company w.e.f September 17, 2010 for a period of 5 years upon the terms and conditions set out within limits specified in Schedule XIII of the Companies Act, 1956 and any amendments thereto”.

“RESOLVED FURTHER that pursuant to the provisions of section 198 and 310 of the Companies Act, 1956 read with Schedule XIII and subject to other applicable rules, the ceiling of remuneration payable to Shri H.N. Taparia, Managing Director be increased from its existing limit of Rs. 2,00,000/- per month plus perquisites to Rs. 2,50,000 per month plus perquisites which are as following :

- a. Re-imbursment of actual travelling expenses for proceeding on leave from Mumbai to any place in India and return there from, once in a year, in respect of self and his family.
- b. Personal Insurance, premium of which shall not exceed the ceiling as may be fixed by the Board of Directors of the Company.
- c. Telephone at residence and provision for use of Company's car.
- d. Reimbursment of medical expenses incurred for self and family.
- e. Minimum Remuneration:

In the event of loss, absence or inadequacy of profits, the remuneration will be in accordance with Schedule XIII of the Companies Act, 1956.”

“RESOLVED FURTHER that as per the provisions of Schedule XIII, the proposed special resolution, if approved by the general body meeting of shareholders, will be effective for a period of three years from 17-09-2010 though the appointment of Managing Director is approved for a period of five years.”

“RESOLVED FURTHER that the Board of Directors may, on recommendation and approval of the Remuneration Committee of the Board, fix the actual salary payable to Shri H.N. Taparia, Managing Director, from time to time, within the aforesaid ceiling limit of Rs. 2,50,000/- per month plus perquisites as at present, after considering cost of living index, profitability,

performance and contribution of the Managing Director to progress of the Company and other relevant circumstances, provided that the salary so payable to him shall not be lower than his existing salary”.

7. To consider & if thought fit, to pass, with / without modification/s, the following resolution as Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956, Shri Rajeev J. Mundra, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- pursuant to the provisions of Section 257 of the Companies Act, 1956 from a Shareholder signifying his intention to propose Shri Rajeev J. Mundra as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By order of the Board

Mumbai, 13th August, 2010

V. S. Datey
Company Secretary

Registered Office:

52 & 52B, MIDC Area,
Trimbak Road, Satpur,
Nashik - 422007, (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 22nd day of September, 2010 to 28th day of September, 2010 (both days inclusive).
- 5] [a] The Members are requested to :
 - ◆ Check the address printed on the envelop 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 sec.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 2001-02 have been transferred to the Investor Education and Protection Fund.

Kindly note that in terms of Section 205 C of the Companies Act, 1956 the unclaimed dividend for the financial year 2002-2003 (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, 2010.

Those shareholders who have not encashed the dividend warrant for the financial year 2002-2003 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.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned in the accompanying Notice dated 13th August, 2010:

Item No. 6

Shri H.N. Taparia was appointed as a Director of the Company in 1977. He is the Managing Director of the Company since 1982. His present appointment as the Managing Director expires on 17-09-2010.

In the Annual General Meeting of the Shareholders of the Company held on 25-09-2009, the shareholders fixed the ceiling limit of remuneration payable to Shri H.N. Taparia as Managing Director from its limit of Rs. 1,25,000/- per month to Rs. 2,00,000/- per month plus perquisites w.e.f. 01-10-2009, provided that the salary payable to him shall not be lower than his existing salary.

The Board of Directors of the Company in its Meeting held on August 13, 2010, re-appointed Shri H.N. Taparia as Managing Director of the Company for the period of five years with effect from 17-09-2010, subject to approval of members in the Annual General Meeting.

Now, considering the progress under the leadership of Shri H.N. Taparia as Managing Director and also considering the cost of living index, ever growing volume of the business, profitability performance and contribution of the Managing Director to the progress of the Company and other relevant circumstances, it is proposed to increase the Ceiling Limit of Remuneration payable to Shri H.N. Taparia as Managing Director from present limit of Rs. 2,00,000/- per month plus perquisites to Rs. 2,50,000/- per month plus perquisites.

Shri H.N. Taparia is entitled to the following perquisites:

- a. Re-imbursement of actual travelling expenses for proceeding on leave from Mumbai to any place in India and return there from, once in a year, in respect of self and his family.
- b. Personal Insurance, premium of which shall not exceed the ceiling as may be fixed by the Board of Directors of the Company.
- c. Telephone at residence and provision for use of Company's car.
- d. Reimbursement of medical expenses incurred for self and family.

e. Minimum Remuneration:

In the event of loss, absence or inadequacy of profits, the remuneration will be in accordance with Schedule XIII of the Companies Act, 1956.

In the Meeting of Remuneration Committee and Board held on 13th August 2010, it was recommended and considered / approved that subject to approval of Shareholders, the aforesaid ceiling limit be increased.

As per para 1(B)(ii) of section II of Part II of Schedule XIII of the Companies Act, 1956, it is confirmed that the company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

The information required pursuant to para 1(B)(iv) of section II of Part II of Schedule XIII of the Companies Act, 1956 are as under:

I. GENERAL INFORMATION:**(1) Nature of industry.**

Manufacturing & trading of Hand Tools

(2) Date or expected date of commencement of commercial production.

The Company incorporated in the year 1965, is an existing operating Company.

(3) Financial performance based on given indicators.*(Rupees in lakhs)*

Financial Year Ended	31.03.2010	31.03.2009	31.03.2008
Net Sales	14484.82	11834.40	10960.62
Profit before interest and depreciation	1020.91	729.37	643.17
Interest	75.26	31.58	1.42
Depreciation	59.00	52.68	59.85
Profit for the year before tax	886.65	645.11	581.91
Provision for taxation	303.16	250.49	193.38
Profit after tax	583.49	394.62	388.53
Equity Share Capital	303.57	303.57	303.57

(4) Export performance and net foreign exchange collaborations.*(Rupees in lakhs)*

Financial Year Ended	31.03.2010	31.03.2009	31.03.2008
Foreign Exchange Earnings(FOB value of Export)	239.01	256.43	290.49

II. INFORMATION ABOUT THE APPOINTEE:**(1) Background details**

Shri H.N. Taparia is a graduate in Commerce, Law & Industrial Management. He has over five decades of rich industrial experience to his credit. He began his career in Textile Industry and then he switched to Taparia Tools Ltd. and has been associated with the Company for more than 33 years.

(2) Past remuneration

Ceiling Limit of Remuneration was Rs. 2,00,000/- p.m. and actual remuneration payable was Rs. 1,75,000/- p.m.

(3) Recognition or awards

Former President of Powerloom Industries Association of Bombay and Former President of Calendaring Factory Association of Bombay.

(4) Job profile and his suitability

The Managing Director is entrusted with substantial powers of the management of the whole or substantially the whole of the affairs of the Company subject to superintendence, control and directions of the Board. He will also perform such duties and exercise such powers as have been or may from time to time be entrusted or conferred upon him by the Board.

Shri H.N. Taparia is a Senior Corporate Personality and the Company has made tremendous progress under the leadership of Shri H.N. Taparia. He is instrumental in positioning Taparia Tools Ltd. as the market leader in premium grade Hand Tools. Profitability has been increased substantially.

With his vast experience as an Industrialist, his presence on the Board is a great advantage and the Board feels it is beneficial for the Company to continue to avail of his services as a Managing Director of the Company.

(5) Remuneration proposed

Ceiling limit of Remuneration to be increased from Rs. 2,00,000/- p.m. to Rs. 2,50,000/- p.m.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position & person.

The managerial remuneration in the industry has increased manifold in last few years. Having regard to the type and trends in industry, size of the Company, the responsibilities, academic background and capabilities of Shri H.N. Taparia, the proposed remuneration is at par with the remuneration being paid to such senior executives by organizations in the Corporate Sector.

(7) Pecuniary relationship directly/indirectly with the company/ relationship with the managerial personal, if any.

Shri H.N. Taparia is a Promoter Director of the Company.

III. OTHER INFORMATION:

- | | | |
|---|---|------|
| (1) Reasons of loss or inadequate profits | : | N.A. |
| (2) Steps taken or proposed to be taken for improvement | : | N.A. |
| (3) Expected increase in productivity and profits in measurable terms | : | N.A. |

IV. DISCLOSURES:

The shareholders of the company have been informed of the remuneration package of Shri H.N. Taparia.

All elements of remuneration package are given in the Corporate Governance annexed to the Board of Directors' report which should be read in conjunction with the 44th Annual General Meeting.

The proposed increase in the ceiling limit of remuneration payable to Shri H.N. Taparia, Managing Director is within the limits prescribed under Schedule XIII of the Companies Act, 1956 and the same will be the minimum remuneration in case of loss or inadequacy of profits to the Company.

As per the provisions of Schedule XIII, the proposed special resolution, if approved by the general body meeting of shareholders, will be effective for a period of three years from 17-09-2010 though the appointment of Managing Director is approved for a period of five years.

Besides Salary and perquisites, Shri H.N. Taparia is not entitled to any other benefit like stock option, pension or performance linked incentives, etc.

Since the reappointment of Managing Director and the remuneration payable to the Managing Director require approval of the Members of the Company in general meeting by means of Special Resolution, considering the provision of sections 198, 269 and 309 read with Schedule XIII to the Companies Act, 1956, the resolution as set out in this item of the accompanying Notice is commended for the approval of the Members.

Shri H.N. Taparia is interested or concerned since increment of ceiling limit of his remuneration as Managing Director, is involved.

Following Directors namely Shri M.P. Taparia, Shri D.P. Taparia and Shri J.K. Taparia being the relatives of Shri H.N. Taparia, may be deemed to be interested in the resolution.

Details of Shri H.N. Taparia as required under Clause 49 of the Listing Agreement are given in the Annexure to the Notice.

The resolution along with the above explanatory details may be treated as an abstract circulated to the Shareholders under section 302 of the Companies Act 1956.

The Board commends the above resolution for approval of the Members.

Item No. 7

Shri Rajeev J. Mundra was appointed as an Additional Director on the Board of the Company on 30-01-2010. According to the provisions of section 257 of the Companies Act, 1956, he ceases to be a director on the conclusion of this Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, proposing the appointment of Shri Rajeev J. Mundra as a Director has been duly received by the Company.

The details pertaining to Shri Rajeev J. Mundra required to be provided pursuant to clause 49 of the Listing Agreement are furnished hereunder.

Considering his long and varied experience, his contribution on the Board will be valuable to your Company. The resolution is accordingly commended for your acceptance.

None of the Directors except Shri Rajeev J. Mundra is interested in the Resolution.

Details of Shri Rajeev Mundra as required under Clause 49 of the Listing Agreement are given in the Annexure to the Notice.

By order of the Board

Mumbai,
13th August, 2010

V. S. Datey
Company Secretary

Registered Office :
52 & 52B, MIDC Area,
Trimbak Road, Satpur,
Nashik - 422007, (Maharashtra)

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 H. N. Taparia	Shri Rajeev Mundra	Shri B.B. Ladda	Shri G.S. Manasawala	Shri J.K. Taparia
Date of Birth	25-09-1933	19-05-1970	19-09-1942	15-07-1930	03-06-1942
Date of Appointment / Re-appointment	29-06-1977	31-01-2010	30-07-2007	30-07-2007	26-09-1996
Experience in specific functional Areas	Industrialist	Audit, Taxation, Finance, Administration & Telecom	Direct Taxes, Accounting, Auditing & Financial Management	Legal	Technical Aptitude in Mechanical, Electrical Aspects of Engineering
Experience	55 years	13 years	43 years	56 years	50 years
Educational qualifications	B. Com., LL.B. Industrial Management	Chartered Accountant, Cost & Works Accountant	Chartered Accountant	B. Com., LL.B.	Graduate
Details of equity shares held in the Company	377910	Nil	Nil	Nil	143476
Directorship in other listed Companies as on 31.03.2010	Nil	Permanent Magnets Ltd.	Nil	Soma Papers & Industries Limited	Nil
Chairman/ Member of the Committees of other Companies in which he is a Director as on 31-03-2010	Nil	Permanent Magnets Ltd. - Chairman of the Audit Committee, Remuneration Committee & Investor Grievance Committee.	Nil	Nil	Nil

FINANCIAL HIGHLIGHTS

SHAREHOLDERS' FUNDS

1967-1968 : Rs. 39.80 Lakhs

2009-2010 : Rs.2450.18 Lakhs

(Rupees in lakhs)

	2005-06	2006-07	2007-08	2008-09	2009-10
FOR THE YEAR					
1. GROSS REVENUE	8504.82	9802.31	12928.22	12711.63	15506.73
2. PROFIT BEFORE TAX	336.21	435.87	581.90	645.11	886.65
3. PROFIT AFTER TAX	231.97	297.83	388.52	394.62	583.49
4. RETAINED EARNINGS	143.85	169.37	304.80	659.43	1182.92
5. CASH GENERATION	284.04	352.23	448.37	447.30	642.49
6. FOREIGN EXCHANGE EARNINGS	305.64	337.95	290.49	256.43	239.01
AT YEAR END					
7. GROSS FIXED ASSETS	2567.83	2649.75	2677.61	2703.03	2746.18
8. SHARE CAPITAL	303.57	303.57	303.57	303.57	303.57
9. RESERVES AND SURPLUS	989.56	1061.19	1157.57	1542.42	2146.61
10. NET WORTH	1293.13	1364.76	1461.15	1845.99	2450.18
11. BORROWINGS	207.57	207.57	321.11	1484.60	1219.55
12. CAPITAL EMPLOYED	1503.09	1572.34	1782.26	3330.60	3669.74
PER SHARE					
13. NET WORTH PER EQUITY SHARE	42.60	44.96	48.13	60.81	80.70
14. EARNING PER SHARE	7.64	9.81	12.80	13.00	19.22
RATIO					
15. DEBT:EQUITY RATIO (Debt: Equity Share Capital)	0.68	0.68	1.06	4.89	4.02

DIRECTORS' REPORT

To the Members of Taparia Tools Ltd.,

Your Directors have pleasure in presenting the 44th Annual Report on the business and operations of the Company together with the Financial Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

	<i>(Rupees in lakhs)</i>	
	Current year	Previous Year
Sales (Net)	14484.82	11834.40
Profit before interest and depreciation	1020.91	729.37
Interest	75.26	31.58
Gross Profit	945.65	697.79
Depreciation	59.00	52.68
Profit for the year before tax	886.65	645.11
Less : Provision for taxation		
Current Tax	300.45	246.00
Previous year	-	1.31
Deferred Tax	2.71	(1.32)
Fringe Benefit Tax	-	4.50
Profit after tax	583.49	394.62
Add : Surplus brought forward from previous year	659.43	304.81
Profit available for Appropriations :	1242.92	699.43
Less :		
General Reserve	60.00	40.00
Surplus carried to Balance Sheet	1182.92	659.43

DIVIDEND

The Directors have not recommended any dividend for the year under review due to sizeable capital expenditure for implementation of the SAP software and retaining the profits for future developments / projects.

REVIEW OF OPERATIONS

The Indian economy witnessed challenging times because of high cost of credit and fall in capital markets that stoked the sluggishness in the economy. However, stimulus packages were announced by the Government together

with the initiatives for overall development of the economy. The manufacturing industry also benefited on account of the measures adopted by the Government.

The concepts of Total Productive Maintenance (TPM) and World Class Productivity Practices and Management, adopted and implemented in the past have been reflected in the improvements during the year. Apart from improved quality of products, it has resulted in a pleasant working atmosphere on the shop floor.

Looking to the growing business volumes and ever-increasing need of sophistication in production and administration processes the Company has implemented leveraging the latest technology in its day-to-day operations. The Company has invested a considerable sum in the implementation of latest E.R.P. system i.e. S.A.P.

During the year under review, the Company's total sales were Rs. 14484.82 lakhs net of excise duty that represents an increase of 22.40% over the sale of Rs. 11834.40 lakhs net of excise duty in the previous year.

Profit earned after tax increased to Rs. 583.49 lakhs in the current year against Rs. 394.62 lakhs in the previous year.

After the success of the Bigger Distributors' Get-together held last year, this year also the Company organized the second tier Distributors' Get-together wherein different Distributors' from all over India gathered at Company's Plant at Nashik. This event gave an opportunity to everyone associated with Taparia Tools to come together and spontaneously fortifying the sense of belongingness of the Distributors' with Taparia Tools.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. Your Company 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 cordial and satisfactory during the year under review. The new wage Agreement is due w.e.f from 20-02-2010, negotiations with workmen are under progress.

There was no employee drawing salary of more than Rs. 2,00,000/- per month or Rs. 24,00,000/- 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 R.N.R. Malani, Independent Director, resigned from the Board w.e.f. 30th January 2010. The Directors wish to place on record their appreciation for the contribution made during his long tenure as a Director of the Company.

Shri Rajeev J. Mundra was appointed as Additional Director of the Company with effect from 30th January 2010. Under section 260 of the Companies Act, 1956, Shri Rajeev J. Mundra will hold office upto the forthcoming Annual General Meeting. As required by section 257 of the Companies Act, 1956 the Company has received notices from the shareholders in writing signifying their intention to propose the candidatures of Shri Rajeev J. Mundra as Non Executive Independent Director of the Company.

Shri B.B.Ladda, Shri G.S. Manasawala and Shri J.K. Taparia, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointments.

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 dated 10-08-2010 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 AND 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>(Rs.in Lakhs)</i>
a) Excise Duty	500.00
b) VAT/CST 483.74	
c) Octroi & Municipal Taxes	63.46
d) Income Tax, Fringe Benefit Tax, etc.	300.45
Total	1347.65

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 & 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

Mumbai, 13th August 2010

H.N. Taparia
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

DISCLOSURES

A) CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Electricity and furnace oil are the major items of energy consumption. The company has taken the following measures for conservation of energy:

- Installed additional continuous type heating and pumping unit, which has resulted in saving in consumption of furnace oil.
- Procured and installed 2 nos. of automatic power factor controller units to maintain power factor above 0.99.
- Procured and installed new generator of 125 kva capacity to reduce fuel consumption & better quality of electrical backup supply to the sensitive I.T. network & the new ERP System.
- Being the most eco-friendly system, the company has procured additional solid state induction heating equipment in heat treatment department.
- A chiller unit is installed for induction heating equipments. It will eliminate the breakdowns.

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

- Company has thought of exploring modernization of the low efficiency processes in forge shop, such as blank heating, conveyors for movement of heated blanks between work stations, etc.
- Continue exploration of ecofriendly induction heating equipments for other heating processes for clean atmosphere and efficient blank heating.
- Replacement of old equipments which results in losses due to frequent breakdowns.

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

- Cost reduction due to improved efficiency.
- Clean atmosphere in the areas where heating of material is involved, resulting in better working conditions.
- Conservation of scarce resources like oil & electricity.

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

FORM-A (Rule-2)

	Current year 2009-2010	Previous year 2008-2009
(I) Power/fuel consumption :		
1. Electricity		
(a) Purchased :		
Unit Lakhs(KWH)	55.60	60.40
Total Cost (Rs.Lakhs)	257.58	264.52
Average Rate/Rs./KWH	4.63	4.38
(b) Own Generation :		
Unit (Lakh KWH)	-	-
Unit per ltr.of diesel oil	-	-
Average Rate/Unit (Rs.)	-	-
2. Furnace Oil :		
Purchased (KL)	495.70	529.78
Total Cost (Rs./Lakhs)	142.61	161.25
Average Rate (Rs./Ltr.)	28.77	30.44
(II) Consumption per unit of production:		
Electricity (Unit/MT)	3183	3404
Furnace Oil (Ltr./MT)	284	298
Coal	-	-
Others	-	-

B) TECHNOLOGY ABSORPTION

(a) Research and Development

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

- The following new products have been introduced during the year 2009-2010,
 - Open Jaw Slugging Spanners
 - Big sizes of Ring Spanners
 - Soft Faced Hammers & its Spares
 - Gear Puller of various sizes
 - Hex & Torx Bit Sockets
 - Aviation Tinman Snippers,
- Upgradation of IT Infrastructure has become a continuous process.
- The implementation of S.A.P. is successfully completed.

(2) Benefits derived as a result of the above R & D:

- The turnover of the Company has increased because of increase in the product range and variety.
- It is expected to get better control on inventory at the organization level with the use of new ERP system.

(3) Future plan of action:

- To compete at the National and International levels, it is necessary to upgrade the manufacturing process. The Company is considering to explore the technology upgradation possibilities.
- To continue the expansion of product range. The following new products are under exploration
 - Spirit Levels
 - Tools Trolleys
- To continue efforts on cost reduction and quality improvement.

(4) Expenditure on R & D :

a) Capital	Rs. Nil
b) Recurring	Rs. 57.03 Lakhs
c) Total	<u>Rs. 57.03 Lakhs</u>
d) Total R & D Expenditure as a percentage of total turnover	0.38 %

(b) Technology absorption, adaptation and innovation:

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

- The company has continued the exploration of modern manufacturing practices available in national as well as international manufacturing industries.
- The company is considering to modernize the inspection and testing facilities to upgrade the quality control function
- The company is exploring the properties of different types of Raw materials and reviewing to improve the product quality

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

- Market leadership in domestic markets
- Continuous expansion of product range
- Improved Brand reputation
- Improved overall product quality.

(3) Technology imported during the last five years:

The Company has not imported any technology from outside.

(4) Foreign Exchange earnings and outgo:

As a sales promotion activity the Company has participated in various International Exhibitions organized in countries like China, U.A.E., etc.

Foreign exchange earnings : Rs. 2,39,01,420

Foreign exchange outgo : Rs. 10,81,117

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The global economy is now indicating some signs of recovery after the marked slowdown in the economic growth and financial crises during the years 2008 and 2009. The overall economy registered a GDP growth rate of 7.2% as per the Economic Survey tabled by the Government. In order to sustain economic growth during the time of worst recession, government authorities in India have announced stimulus packages to prop up economic growth. The year has proved that though the Indian economy is interlinked with the global economy, its focus on domestic markets and the Government's prudent policies will help maintain a high growth trajectory.

Your Company's business has posted better performance with revenue and profit touching new high.

BUSINESS OF THE COMPANY

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

PERFORMANCE

The Company has maintained its position as the market leader in the Hand Tools business in India. A wide range of products has been developed to meet the market demands. To ensure best quality service to its customers and dealers, the Company regularly undertakes studies, surveys and personal interactions.

Total turnover of the Company during the year was Rs. 14484.82 Lakhs as compared to previous year. The Company's sales volume grew by 22% resulting into increase in the net gain as compared to previous year.

OPPORTUNITIES AND THREATS

The revival of the economy, higher GDP and industrial production growth rates are expected to contribute significant volumes during the current year. The expansion of the Automobile Industry in India is giving an optimistic view to the future of hand tools industry. As the Company is basically an Industrial user based, the emergence of new units in the industrial sector will substantially improve the demand for the products of the Company.

The scarcity of skilled and experienced labour force is a continuous threat to the Company. In addition, the Company is also exposed to Competitor risk in the form of emergence of number of units in the un-organized sector due to Government protection granted to the Hand Tools Industry and increasing participation of China in the International Market.

INTERNAL CONTROL SYSTEM

The Company has established suitable internal control systems, which provide reasonable assurance with regard to safeguarding the Company's assets, promoting operational efficiency and ensuring compliance with various legal & regulatory provisions. This includes business processes concerning efficiency of operations, financial reporting, compliance with applicable laws and regulations, etc. To strengthen its Management Information System for effective checks

HUMAN RESOURCES

The Company continues to maintain a constructive relationship with its employees through a positive environment so as to improve productivity and efficiency. The Company also continues to invest in people process and skill development and provide them with high performance environment.

CONCLUSION

Your Company enjoys its successful journey towards increasing volume and profitability of the business yet another year. We will continue to make investments in the hand tool business to further consolidate our 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 2009-10

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Taparia Tools has always perceived the principle of Good Corporate Governance as a need to strive for the excellence as well as to be trustworthy among the masses. The Company believes that its business strategy and plan should be consistent with the welfare of all its shareholders, which will bring sustained corporate growth and long term benefits to all. Board has further strengthened the corporate governance philosophy with effective management control. The Company has a dedicated and self-motivated team of people who believe and follow ethical and professional code of conduct laid down by the Company and the same is monitored by the top Management through proper administration. The policies of the Company include commitment towards employees and their relationship. The values of the company's governance processes include independence, integrity, accountability, transparency, responsibility and fairness. These values are followed consistently in all its corporate decisions and business dealings.

2. BOARD OF DIRECTORS

Composition of Board:

As on date, the Board comprises of eleven Directors. Out of whom, four are promoter Directors. Non-Executive Directors constitute more than half of the total number of Directors. The Company has Executive Chairman and he is also functioning as the Managing Director.

Board Meetings:

During the year under review, four Board Meetings were held on April 29, 2009, July 30, 2009, October 29, 2009 and January 30, 2010. The maximum time gap between two board meetings did not exceed the limits prescribed in Clause 49 of the Listing Agreement.

Details about Board of Directors of Taparia Tools Ltd. :

Name of Director	Category	FY. 2009-10		Directorships in other public companies
		Attendance at BM	Last AGM	
Shri H.N. Taparia	Executive Chairman & MD, Promoter	4	Yes	1
Shri M.V. Gore	Non-Executive, Independent	4	Yes	1
Shri P.N. Shah	Non-Executive, Independent	4	-	6
Shri B.B. Ladda	Non-Executive, Independent	3	-	-
Shri G.S. Manasawala	Non-Executive, Independent	4	-	1
Shri J.K. Taparia	Non-Executive, Promoter	4	Yes	-
Shri M.P. Taparia	Non-Executive, Promoter	4	Yes	-
Shri D.P. Taparia	Non-Executive, Promoter	4	Yes	2
Shri Virendra Bangur	Non-Executive, Independent	1	-	5
Shri R.N.R. Malani [resigned w.e.f 30-01-2010]	Non-Executive, Independent	-	-	-
Shri Rajeev Mundra [appointed on 30-01-2010]	Non-Executive, Independent	-	-	2
Dr. M.G. Nathani	Executive Director	4	Yes	-

Shri B.B. Ladda, Shri G.S. Manasawala and Shri J.K. Taparia are liable to retire by rotation and being eligible offer themselves for re-appointment. Information as required under Clause 49 of the Listing Agreement is given in the latter part of this section.

3. AUDIT COMMITTEE

The Audit Committee of the Board was constituted in July 2002. At present, the Committee comprises of five members namely, Shri M.V. Gore, Chairman, Shri P.N. Shah, Shri B.B. Ladda, Shri G.S. Manasawala and Shri Rajeev Mundra.

All the members of the Audit Committee are independent and non-executive Directors. They have good exposure to law, finance and internal/external audit as well as in the areas of general management. The meetings of the Audit Committee are chaired by Shri M.V. Gore, Chartered Accountant.

During the year under review, four Audit Committee Meetings were held on April 29, 2009, July 30, 2009, October 29, 2009 and January 30, 2010. The maximum time gap between two consecutive Audit Committee meetings held during the year has never exceeded 4 months,

Composition and Attendance:

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	3
Shri G.S. Manasawala	- Member	4
Shri R.N.R. Malani	- Member	-

The Internal Auditor and the Finance Executive are permanent invitees to the Audit Committee Meetings.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of the Companies Act, 1956 and clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.

The role of the Audit Committee includes:

- Over viewing the Company's financial reporting process and the disclosure of its financial information
- Recommending appointment and removal of statutory auditors and internal auditors, fixing of audit fees and approving payments for any other services
- Reviewing the annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and stock exchange and legal requirements concerning financial statements
- Reviewing adequacy of functions of external and internal auditors
- Reviewing adequacy of internal control systems and reviewing the Company's financial and risk management policies
- Discussing with internal auditors any significant findings and follow up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Review meetings with external auditors before the audit commences and decide the nature and scope of audit as well as have post audit discussions to ascertain any areas of concern
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.

4. SHAREHOLDERS GRIEVANCE / SHARE ALLOTMENT & TRANSFER COMMITTEE

The Shareholders Grievance / Share Allotment & Transfer Committee has been constituted to look into various issues relating to Shareholders/Investors. As on date, Shri H.N. Taparia is the Chairman of the committee, Shri D.P. Taparia, Director and Dr. M.G. Nathani, Executive Director are the members of the Committee.

The Committee reviews and deals as under:

- transfer/transmission of shares
- issue of duplicate share certificates
- split of share certificates
- consolidation of share certificates
- to look into the shareholders complaints, if any, and redressing the same expeditiously.
- approving the nominations received, if any.

During the year under review, 3 Meetings were held on 31-10-2009, 19-12-2009 and 20-02-2010.

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

At the beginning of the year, 1 complaint from shareholder was pending. During the year, 2 complaint letters were received from shareholders. All these were dealt satisfactorily.

5. REMUNERATION COMMITTEE

The Remuneration Committee was constituted in July 2002. Presently, the Committee comprises of five members namely, Shri M.V. Gore, Chairman, Shri P.N. Shah, Shri B.B. Ladda, Shri G.S. Manasawala and Shri Rajeev Mundra. All the members are independent & Non-executive Directors.

The committee is mandated with the following terms of reference:

To look into all elements of remuneration package of Managing Director / Executive Director i.e. salary, benefits, etc. Service Contracts, notice period, etc.

Remuneration Policy

The remuneration Committee has been constituted to recommend / review the remuneration package of the Managing Director / Executive Director based on performance and defined criteria.

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industrial practice.

During the year, two Remuneration Committee meetings were held on 30-07-2009 and 29-10-2009.

Details of the remuneration paid/payable to the directors for the year 2009-10 are as under:

1. Non-executive directors: Sitting Fees (excluding reimbursement of travel and other expenses incurred for the business of the company)

Name of Director	Amount (Rs.)	Name of Director	Amount (Rs.)
Shri M.V. Gore	26000	Shri B.B. Ladda	20000
Shri P.N. Shah	26000	Shri Virendra Bangur	5000
Shri J.K. Taparia	20000	Shri D.P. Taparia	20000
Shri M.P. Taparia	20000	Shri G.S. Manasawala	26000
Shri R.N.R. Malani	-		
		Total	163000

Sitting fees for Directors for each meeting of the Board is Rs. 5000/-. The sitting fees for Audit Committee meeting, Remuneration Committee meeting and Special Committee meeting is Rs. 1000/- for each meeting attended by them.

2. Managing/Executive director(s): (No Sitting Fees)

Name of Director	Salaries and Allowances	Perquisites
Shri H.N. Taparia Chairman & MD	Rs. 14,50,000	Rs. Nil
Dr. M.G. Nathani Executive Director	Rs. 8,11,815	Rs. Nil
Total	Rs. 22,61,815	Rs. Nil

Salary includes Basic Salary, House Rent Allowance, Bonus, Leave Encashment, and Company's contribution to Provident Fund but does not include Company's contribution to Gratuity Fund.

6. PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

The Company has provided the details of Directors seeking appointment/re-appointment at the end of this report.

7. SPECIAL COMMITTEE

The Special Committee of the Board was constituted in November 2007. The 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 stipulates the following terms of reference for Special Committee:

To discuss and approve the Quarterly Unaudited/audited Financial Results. 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 compliance of the Listing Agreement/ Companies Act as amended from time to time.

Sitting Fee amounting to Rs. 1000/- is payable to a Member of the Special Committee for every Meeting of Special Committee attended by him.

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

8. GENERAL BODY MEETINGS

The details of the location/s and time for last three Annual General Meetings are given below:

Year	Date	Location	Time
2006-2007	26.09.2007	Emerald Park, Sharanpur Link Road Nashik - 422 002	12.00 Noon
2007-2008	30.09.2008	Emerald Park, Sharanpur Link Road Nashik - 422 002	12.30 p.m.
2008-2009	25.09.2009	Emerald Park, Sharanpur Link Road Nashik - 422 002	12.30 p.m.

Details of Special Resolutions passed in the above-referred meetings are as under:

Particulars of the AGM	Section under which Special resolution was passed	Purpose
41 st AGM held on 26-09-2007	No Special Resolution was passed.	
42 nd AGM held on 30-09-2008	No Special Resolution was passed.	
43 rd AGM held on 25-09-2009	Section 198, 310 & other applicable provisions of the Companies Act, 1956	Increase in remuneration of Shri H. N. Taparia, Chairman & Managing Director.
	Section 198, 310 & other applicable provisions of the Companies Act, 1956	Increase in remuneration of Shri M. G. Nathani, Executive Director.

9. DISCLOSURES

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large.

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.

10. 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 prescribed proforma, generally in Free Press Journal & Navshakti (Mumbai Edition).

11. 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.

They have a responsibility to carry out their duties in an honest and business like manner and within the scope of their authority, as set forth in the laws of India as well as in the Memorandum and Articles of Association 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. As Directors, 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.

Thus, the Board of Directors play an important role in ensuring good governance and have laid down the Code of Conduct ("the Code") applicable to all Board Members and Senior Management of the Company. A declaration by the Chairman & 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.

12. COMPLIANCE

Certificate from the Statutory Auditors for the year ended 31st March, 2010 confirming compliance with all the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement of the Bombay Stock Exchange Limited is annexed to this Report and forms part of the Annual Report.

Adoption/ non-adoption of non-mandatory requirements as on March 31, 2010.

1. The Company has not adopted the requirement of Independent Directors tenure not to exceed a period of nine years on the Board of the Company.
2. The Company has constituted a Remuneration Committee, full details are furnished under item 5 of this report.
3. As the Quarterly Financial Results are published in the newspapers, the Results are not sent to each household of the shareholders.
4. The auditors have issued an unqualified opinion for the year ended March 31, 2010.
5. 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.
6. Presently the Company does not have a mechanism for evaluating its Non-executive Directors by Peer Group comprising of the entire Board of Directors.
7. Presently the Company does not have Whistle Blower Policy in place.

13. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting

Date	:	28th September, 2010
Time	:	12.30 p.m.
Venue	:	Emerald Park, Sharanpur Link Road, Nashik – 422 002
Book Closure	:	September 22, 2010 to September 28, 2010

Listing Securities

The shares of your Company are presently listed on the Bombay Stock Exchange Ltd., Mumbai. The Company has paid Annual Listing Fees to the Bombay Stock Exchange Ltd., Mumbai for the financial years – 2008-2009, 2009-2010 and 2010-11.

SME Stock Exchange

The Company is considering the pros and cons of migrating to SME Stock Exchange.

Stock Code No. : 505685

Market Price Data

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

E-Mail address for shareholders' correspondence

secretaryttl@gmail.com

Registered Office and address for Correspondence

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

Plants Location

1) 52 & 52B, MIDC Area, Trimbak Road, Satpur, Nashik - 422 007 (Maharashtra)

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

Registrar & Share Transfer Agents

The shares of the Company are not in De-materialized form and there is In-house facility for Share Transfer and Registration. Therefore no Registrar & Share Transfer Agent has been appointed.

Share Transfer System:

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

Distribution of Shareholdings as on 31st March 2010:

Sr. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shareholdings	% of shareholdings
1	Upto - 5000	392	91.80	74740	2.46
2	5001 - 10000	0	0.00	0	0.00
3	10001 - 20000	2	0.47	27218	0.90
4	20001 - 30000	2	0.47	47419	1.56
5	30001 - 40000	4	0.94	146420	4.82
6	40001 - 50000	5	1.17	233998	7.71
7	50001 - 100000	11	2.58	692651	22.82
8	100001 & above	11	2.58	1813304	59.73
	TOTAL	427	100.00	3035750	100.00

Shareholding Pattern as on 31st March 2010:

Categories	No. of Holders	No. of shares	%age of Holding
Promoters	24	2107754	69.43
Bodies Corporate (Promoters)	3	335588	11.05
Bodies Corporate (Others)	3	106262	3.50
Foreign Investors	1	16500	0.54
Bank/FIs	0	0	0.00
Others	396	469646	15.47
TOTAL	427	3035750	100.00

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.

Financial Calendar:

Board Meeting for consideration of Accounts for the year ended March 31, 2010	13th August, 2010
Posting of Annual Reports	On or before 3rd September, 2010
Book Closure Dates	September 22, 2010 to September 28, 2010
Last Date for receipt of Proxy Forms	September 26, 2010
Date, time and venue of the 44th Annual General Meeting	September 28, 2010 at 12.30 p.m. at Emerald Park, Sharanpur Link Road, Nashik - 422002.
Dividend Payment date	No Dividend for F.Y. 2009-10 is proposed.
Probable date of dispatch of warrants	Not Applicable
Board Meeting/Special Committee Meeting for consideration Of quarterly unaudited results for the current financial year April 1, 2010 to March 31, 2011	Within 45 days from the end of the quarter as stipulated under the Listing Agreement with the Bombay Stock Exchange
Audited results for the year ending on 31-03-2011	July/ August, 2011
Annual General Meeting for the year 2011	September, 2011

For and on behalf of the Board,

Mumbai,
13th August, 2010

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, 2010.

For and on behalf of the Board,

Mumbai,
13th August, 2010

H.N. Taparia
Chairman & Managing Director

CEO/CFO CERTIFICATION

We, H.N. Taparia, Chairman & 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 violative 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 appraised 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

13th August, 2010

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of the Director	Shri H. N. Taparia	Shri Rajeev Mundra	Shri B.B. Ladda	Shri G.S. Manasawala	Shri J.K. Taparia
Date of Birth	25-09-1933	19-05-1970	19-09-1942	15-07-1930	03-06-1942
Date of Appointment / Re-appointment	29-06-1977	31-01-2010	30-07-2007	30-07-2007	26-09-1996
Experience in specific functional Areas	Industrialist	Audit, Taxation, Finance, Administration & Telecom	Direct Taxes, Accounting, Auditing & Financial Management	Legal	Technical Aptitude in Mechanical, Electrical Aspects of Engineering
Experience	55 years	13 years	43 years	56 years	50 years
Educational qualifications	B. Com., LL.B. Industrial Management	Chartered Accountant, Cost & Works Accountant	Chartered Accountant	B. Com., LL.B.	Graduate
Details of equity shares held in the Company	377910	Nil	Nil	Nil	143476
Directorship in other listed Companies as on 31.03.2010	Nil	Permanent Magnets Ltd.	Nil	Soma Papers & Industries Limited	Nil
Chairman/ Member of the Committees of other Companies in which he is a Director as on 31-03-2010	Nil	Permanent Magnets Ltd. - Chairman of the Audit Committee, Remuneration Committee & Investor Grievance Committee.	Nil	Nil	Nil

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, 2010, 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,
13th August, 2010

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

K.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 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 & 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - (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

Mumbai,
13th August, 2010

K.A. Mehta
Partner
Membership no. 111749

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 programme 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 taken loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was 9.67 crores and the year-end balance of loans taken from such parties was Rs. Nil.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (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.

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.

(b) 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:

Name of statute	Financial years to which the matter pertains	Forum where dispute is pending	Amount (Rupees 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

Mumbai,
 13th August, 2010

K.A. Mehta
 Partner

Membership no. 111749

BALANCE SHEET as at 31st March, 2010*Figures in Rupees*

	Schedule		As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	30357500		30357500
Reserves & Surplus	B	214661120		154242411
			245018620	184599911
Loan Funds				
Secured Loans	C	101197700		31039275
Unsecured Loans	D	20757423		117420817
			121955123	148460092
			366973743	333060003
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	274617814		270302573
Less : Depreciation		231327787		227528312
Net Block			43290027	42774261
Deferred Tax Asset [Net]			678000	949000
Current Assets, Loans & Advances				
Inventories	F	256580316		222937940
Sundry Debtors		130800450		113428639
Cash & Bank Balances		4789701		3025559
Loans & Advances		106715284		73486558
			498885751	412878696
Less : Current Liabilities & Provisions	G	175880035		123541954
Net Current Assets			323005716	289336742
			366973743	333060003
Notes on Accounts & Contingent Liabilities	9			

As per our separate report of even date

For BATLIBOI & PUROHIT*Chartered Accountants*

Firm Reg. No. 101048W

H. N. TAPARIA*Chairman & Managing Director***K. A. MEHTA***Partner*

Membership No.111749

Mumbai, 13th August, 2010

V. S. DATEY*Company Secretary*

Mumbai,

13th August, 2010

D. P. TAPARIA*Director*

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

Figures in Rupees

	Schedule		2009-10	2008-09
INCOME				
Sales			1496360055	1250369112
Less : Excise Duty			47877680	66928891
			1448482375	1183440221
Other Income	1		41087891	35996739
Increase / [Decrease] in Stocks	2		11102296	[19302326]
			52190187	16694413
<i>TOTAL INCOME</i>			1500672562	1200134634
EXPENDITURE				
Raw Materials Consumed	3		160682107	183653913
Trading Items Purchased			771185016	505094530
Manufacturing Expenses	4		141863875	152410085
Payments to and Provisions for Employees	5		143334802	135074791
Other Expenses	6		20146643	17470658
Interest	7		7525801	3158263
Distribution & Selling Expenses	8		161369654	133493394
Depreciation	E	6153633		6058774
Less: Transferred from Fixed Assets				
Revaluation Reserve		253584		[790772]
			5900049	5268002
<i>TOTAL EXPENDITURE</i>			1412007947	1135623636
Profit before Taxation			88664615	64510998
Less : Provision for Taxation				
Current Year Tax			30044880	24600000
Previous Year Tax			0	130606
Deferred Tax			271000	[132000]
Fringe Benefit Tax			0	450000
			30315880	25048606
Profit after Tax			58348735	39462392
Add : Surplus brought forward			65943145	30480753
Balance Available for Appropriations			124291880	69943145

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010 (Contd.)*Figures in Rupees*

Schedule	2009-10	2008-09
Balance Available for Appropriations	124291880	69943145
APPROPRIATIONS :		
Less : General Reserve	6000000	4000000
	6000000	4000000
Surplus carried to Balance Sheet	118291880	65943145
EARNINGS PER SHARE [See Note no.7 of Schedule.9]		
Basic / Diluted Earnings Per Share	19.22	13.00
Face Value Per Share	10.00	10.00
Notes on Accounts	9	

As per our separate report of even date

For BATLIBOI & PUROHIT*Chartered Accountants*

Firm Reg. No. 101048W

H. N. TAPARIA*Chairman & Managing Director***K. A. MEHTA***Partner*

Membership No.111749

Mumbai, 13th August, 2010

V. S. DATEY*Company Secretary*

Mumbai,

13th August, 2010

D. P. TAPARIA*Director*

Schedules forming part of the Balance Sheet

Figures in Rupees

		As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - A			
SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.10/- Each		50000000	50000000
Issued, Subscribed & Paid-Up			
30,35,750 Equity Shares of Rs.10/- Each fully paid-up		30357500	30357500
(of the above, 15,000 shares were issued as fully paid-up to M/s. A.B.Bahco, Sweden pursuant to a contract without payment being received in cash).			
(of the above, 2,53,250 Equity shares were issued as fully paid-up Bonus Shares by way of Capitalisation of Reserve).			
		30357500	30357500
SCHEDULE - B			
RESERVES AND SURPLUS			
Fixed Assets Revaluation Reserve	10026691		11004218
Add / [Less] : Adjustment	2354158		(186755)
Less : Transferred to Profit & Loss A/c.	(253584)		(790772)
		12127265	10026691
Share Premium Account		5000000	5000000
Capital Reserve		4500000	4500000
General Reserve	68772575		64772575
Add : Transferred From P & L Account	6000000		4000000
		74772575	68772575
Surplus in Profit & Loss Account		118261280	65943145
		214661120	154242411

Figures in Rupees

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - C		
SECURED LOANS		
FROM CENTRAL BANK OF INDIA :		
Working Capital Loans	101197700	31039275
	<u>101197700</u>	<u>31039275</u>
NOTE : Loans from the bank are secured by the Hypothecation of all Stocks, Plant & Machinery and Book Debts of the Company and Equitable Mortgage of Land & Building and Fixed Plant & machinery of the Company & guaranteed jointly & severally by four Directors.		
SCHEDULE - D		
UNSECURED LOANS		
Sales Tax Deferral Loans	20757423	20757423
Loan From Directors	-	96663394
	<u>20757423</u>	<u>117420817</u>

SCHEDULE- E
FIXED ASSETS

Figures in Rupees

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2009	Additions	Adjustments	As at 31.3.2010	Up to 1.4.2009	For The Year	Adjustments	Up to 31.3.2010	As at 31.3.2010	As at 31.3.2009
Land	6453515	-	-	6453515	1538945	36069	-	1575014	4878501	4914570
Buildings	60050721	345780	-	60396501	37290260	1470667	-	38760927	21635574	22760461
Plant & Machinery	174497672	2681389	-	177179061	170855711	1154020	2354158	169655573	7523488	3641961
Computers	8611831	706001	-	9317832	3047469	2366289	-	5413758	3904074	5564362
Electrical Installations	9346479	436000	-	9782479	7647157	284388	-	7931545	1850934	1699322
Vehicles	4224367	-	-	4224367	2852009	347934	-	3199943	1024424	1372358
Furniture & Fixtures	5500690	42297	-	5542987	3341252	395061	-	3736313	1806674	2159438
Office Equipments	1604088	116984	-	1721072	955509	99205	-	1054714	666358	648579
Total	270289363	4328451	-	274617814	227528312	6153633	2354158	231327787	43290027	42761051
Machinery under Errection	13210	-	(13210)	-	-	-	-	-	-	-
Total	270302573	4328451	(13210)	274617814	227528312	6153633	2354158	231327787	43290027	42761051
Previous Year	267761157	10710774	8169358	270302573	229117384	6058774	7647846	227528312	42774260	38643773

Notes:

- 95 years lease hold land on which buildings are constructed.
- Adjustment made in Plant & Machinery is on account of excess amount transferred to revaluation reserve in earlier years now rectified, which has no effect on Profit & Loss Account.

Figures in Rupees

		As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - F			
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets			
Inventories (At Cost unless otherwise stated)			
(As per inventories taken, valued & certified by the Management)			
Stores, Spares, Fuel oil, Broaches, Cutters etc. (Including lying with third parties Rs.2,38,214 previous year Rs.47,531)	16489103		16305813
Components (Including lying with third parties Rs.7,26,862 previous year Rs.5,11,435)	4576888		1483605
Raw Materials (Including lying with third parties Rs.35,07,940 previous year Rs.84,30,762)	43343230		24079723
Scrap (At estimated net realisable Value)	1875767		6843072
Work-In-Process	36203151		40861293
Finished Goods (At Cost or market value which ever is lower)	154092177	256580316	133364434
			222937940
Sundry Debtors			
(Unsecured but considered goods)			
Over six months	318796		394064
Others	130481654		113034575
		130800450	113428639
Cash & Bank Balances			
Cash on Hand	633031		333441
Balances with scheduled banks	4156670		2692118
		4789701	3025559
C/F		392170467	339392138

		As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - F - Continued...	B/F	392170467	339392138
Loans & Advances (Unsecured but Considered Goods)			
Advances recoverable in cash or in kind or for value to be received	14403522		13035745
Balance with Central Excise Authorities	290822		373421
Advances to Employees	61367		539853
Prepaid Expenses	1214678		1233543
Deposits	5023960		4811710
Outstanding Income	375601		1146948
Advance Income Tax (Net)	9025185		14242400
Interest Accrued	127647		52147
M.V.A.T. Receivable	76184952		38020193
Income tax dedcted at source	7550		30598
		106715284	73486558
		498885751	412878696
SCHEDULE - G			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors	118413092		69285181
Unclaimed Dividend	49249		49249
Other Liabilities	37379014		33813604
		155841355	103148034
Provisions			
For Income Tax		2850000	4500000
For Leave Encashment		7631871	6626668
For Group Gratuity		9556809	9267252
		175880035	123541954

Schedules forming part of the Profit and Loss Account

Figures in Rupees

	2009-10	2008-09
SCHEDULE 1		
OTHER INCOME		
Interest (Gross) { TDS Rs. () }	830206	680174
Profit on Redemption of Units	0	712647
Sale of Scrap	26576533	33803971
Less: Excise Duty	2122734	4099153
	24453799	29704818
Premium on DEPB Licences	626621	1189180
Miscellaneous Income	260543	472778
Sundry Credit Balances Written Back	313790	306316
Profit on Sale of Assets [Net]	0	621345
Sales Tax / MVAT Refund	5444596	2309481
MVAT Receivable	9158336	0
	41087891	35996739
SCHEDULE - 2		
INCREASE / (DECREASE) IN STOCKS		
OPENING STOCK		
Finished Goods	133364434	141330169
Work-in-Process	40861293	50370117
Scrap	6843072	8670839
	181068799	200371125
LESS : CLOSING STOCK		
Finished Goods	154092177	133364434
Work-in-Process	36203151	40861293
Scrap	1875767	6843072
	192171095	181068799
	11102296	(19302326)
SCHEDULE - 3		
RAW MATERIALS CONSUMED		
Opening Stock	24079723	49342391
Add : Purchases	179945614	158391245
	204025337	207733636
Less : Closing Stock	43343230	24079723
	160682107	183653913

	2009-10	2008-09
SCHEDULE - 4		
MANUFACTURING EXPENSES		
Consumption of Components, Other Stores & Spares	67530243	74034807
Power & Fuel	40018873	43161379
Water Charges	651548	735277
Carriage Inward	9707523	8651641
Other Manufacturing Charges	21612167	23413283
Repairs to Machinery	448934	644861
Repairs to Building	726521	1270107
Entry Tax (Goa)	1168066	498730
	<u>141863875</u>	<u>152410085</u>
SCHEDULE - 5		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Wages,Salaries & Bonus	125971603	119330026
Directors' Remuneration	2188988	1200000
Provident Fund, Pension Fund & ESI Contributions	8799733	9178378
Welfare Expenses	2871219	2462502
Employees Group Gratuity	2498056	2169934
Leave Encashment	1005203	733951
	<u>143334802</u>	<u>135074791</u>
SCHEDULE - 6		
OTHER EXPENSES		
Rent	1386372	1141542
Rates & Taxes	163242	193790
Insurance	1627967	1525738
AUDITORS' REMUNERATION		
As Auditors	100000	109967
Company Law Matters	15000	15000
Tax Audit & Other Capacity	67500	57000
Out of Pocket Expenses	26076	38607
	208576	220574
Directors' Sitting Fees	163000	158000
Professional & Legal Expenses	1214208	1331848
Travelling & Conveyance	2662648	2523962
Car Expenses	709837	668020
Repairs to Others	253397	253206
Bank Charges	918099	962652
Miscellaneous Expenses (Postage Telegram, Telephone, Printing & Stationery, etc.)	10534879	8388628
Bad Debts Written Off	304418	102698
	<u>20146643</u>	<u>17470658</u>

Figures in Rupees

	2009-10	2008-09
SCHEDULE - 7		
INTEREST		
Bank	3348254	922000
Others	4177547	2236263
	<u>7525801</u>	<u>3158263</u>
SCHEDULE - 8		
DISTRIBUTION & SELLING EXPENSES		
Forwarding Expenses	21004754	18189809
Advertising, Sales Promotion Expenses & Incentive	32678656	26164441
Selling Commission	107686244	89139144
	<u>161369654</u>	<u>133493394</u>

SCHEDULE - 9**NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

1. Significant Accounting Policies:

(a) Method of Accounting

The Financial Statements are prepared on accrual basis and comply with Accounting Standards referred to 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

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) 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 Ltd. and contributions are made on actuarial valuation basis.

(f) 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.

(g) Investments

Current investments carried at lower of cost or fair value. Long-term investments are stated at cost after deducting provisions made for diminution other than temporary.

(h) 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 & Loss Account.

(i) Revenue Recognition

Sales are recognized, net of returns and trade discount, on dispatch of goods to customers, sales tax and value added tax excluded.

(j) Prior Period Items prior period items, if material, are separately disclosed in the Profit & Loss account together with the nature and amount.

(k) Receivables in 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.

2. Contingent Liabilities not provided for in respect of
 [a] Estimated amount of contract remaining to be executed on capital account is Nil [Rs. 15,71,794/-].
 [b] Claims against the Company not acknowledged as Debts are Rs. 45,41,795 [Rs. 45,41,795].
3. 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 Rs. 61,53,633/- and Rs. 59,00,049/- respectively. The transfer of Rs. 2,53,584/- from Fixed Assets Revaluation Reserve” to Profit & Loss Account represents difference between depreciation on revalued figures and that on original cost.
4. Other income includes MVAT Receivable - Rs. 91,58,336/- and Refund on MVAT of earlier years Rs. 54,44,596.
5. Segment Reporting
 The Company is exclusively in the hand tools business segment.

6. Related Party Disclosures

Disclosures as required by the Accounting Standard - 18 “Related Party Disclosures” are given below:

a) List of Related Parties/ Associates/ Subsidiary Companies:

Nil.

b) Key Management Personnel:

Shri H.N. Taparia (Chairman & Managing Director)

Dr. M.G. Nathani (Executive Director)

c) i) Transactions with Associate Company

Nil

ii) Outstanding balance of Associate Company

Nil

d) Details of transactions relating to Key Management Personnel as referred to in item b) above

Remuneration : Rs. 22.62 lakhs (Refer Note No.10)

e) Re-payment of Unsecured loans with interest to Directors:

Name of the Director	Principal Amount	Interest Amount
Shri M.P. Taparia	Rs. 1,00,00,000	Rs. 7,75,177
Shri J.K. Taparia	Rs. 2,20,00,000	Rs. 10,78,493
Shri H.N. Taparia	Rs. 5,06,75,636	Rs. 17,24,961
Shri D.P. Taparia	Rs. 1,39,87,758	Rs. 4,83,966

7. Earning per share	March 31, 2010	March 31, 2009
1) Net Profit as per Profit & Loss Account available for equity shareholders	Rs. 583.49 lakhs	Rs. 394.62 lakhs
2) No. of equity shares Basic/Diluted	3035750	3035750
3) Earning per share Basic/Diluted	Rs. 19.22	Rs. 13.00

8. Deferred Tax:

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

(Rs. in lakhs)

	As on 31-03-2010	As on 31-03-2009
Deferred Tax Assets :		
Depreciation	2.85	6.98
Expenditure u/s. 43B of the Income Tax Act, 1961	3.93	2.51
Net deferred tax Asset/(Liability)	<u>6.78</u>	<u>9.49</u>

9. 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 recognised for the asset no longer exists or has been decreased.

10. Remuneration to Managing Director/Whole time Director paid/payable during the year u/s 198 of the Companies Act, 1956:

(Figures in Rupees)

	2009-2010	2008-2009
Salaries & Allowances .	22,61,815	18,30,100
Perquisites	Nil	12,985
	<u>22,61,815</u>	<u>18,43,085</u>

11. Income tax assessment is completed upto assessment year 2006-2007. The Honourable High Court, Mumbai confirmed the appeals for the assessment years 1996-97, 1997-98 and 1998-99 as per the Appellate Orders issued by ITAT, Pune Bench and now they are pending in the Honourable Supreme Court of India, New Delhi.

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

13. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

14. Retirement Benefit Plans

The Company adopted the Accounting Standard-15 "Employees Benefits" (AS-15) effective from April 1st, 2007 consequent upon the change in accounting policy. The necessary details have been disclosed in the Defined Benefit Plan.

A. Defined Contribution Plans:

Contribution to Defined contribution Plans is recognized as expense in the Profit & 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 2010.

(Rupees in lakhs)

Sr. No.		As at 31 st March 2010	As at 31 st March 2009
I	Change in benefit obligation :Projected benefit obligation, beginning of the year (April 1, 2009)		
	Service Cost	487.18	476.75
	Interest Cost	20.22	19.04
	Actuarial (gain)/loss	34.89	37.92
	Benefit paid	4.36	(2.94)
		(52.40)	(43.59)
	Projected benefit obligation, end of the year	494.25	487.18
II	Change in plan assets :		
	Fair value of plan assets, beginning of the year (April 1, 2009)	394.51	379.25
	Expected return on plan assets	31.23	30.67
	Employer's contributions	22.08	25.97
	Benefit paid	(52.40)	(43.59)
	Actuarial gain	3.26	2.21
	Fair value of plan assets at the year end	398.68	394.51
	Excess of (obligation over plan assets)/plan assets over obligation	1.10	(5.15)
III	Net gratuity and other cost for the year ended March 31 st , 2010		
	Service cost	20.22	19.04
	Interest on defined benefit obligation	34.89	37.92
	Expected return on plan assets	(31.23)	(30.67)
	Net actuarial gain recognized in the year	1.10	(5.15)
	Net gratuity and other costs	24.98	21.13
IV	Category of assets as at March 31 st , 2010 :		
	Insurer Managed Funds	398.68	394.51
	Others	-	-
	Total	398.68	394.51
V	Assumptions used in accounting for the gratuity plan :	%	%
	Discount rate	8.00	7.25
	Salary escalation rate	6.00	7.00
	Expected rate of the return on plan assets	8.00	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.

15. Previous year's figures have been recast or regrouped wherever necessary.
16. Additional information pursuant to the provisions of paragraph 3, 4C & 4D of part II of Schedule VI to The Companies Act, 1956.

(i) Details of Licensed Capacity, Opening & Closing Stock, Production and Sales.

[a] FORGED HAND TOOLS

	M. Tonnes		Value Rs.	
1. Licensed Capacity	2040	[2040]		
2. Installed Capacity (As certified by the Management)	1750	[1750]		
3. Opening Stock	115	[89]	2,22,62,781	[1,81,42,616]
4. Actual Production	1747	[1770]		
5. Sales	1797	[1744]	55,97,02,356	[49,99,17,442]
6. Closing Stock	65	[115]	1,54,72,699	[2,22,62,781]

[b] FORGINGS

1. Licensed Capacity	650	[650]		
2. Installed Capacity (As certified by the Management)	650	[650]		
3. Opening Stock	0	[0]	Nil	[Nil]
4. Actual Production	0	[4]	-	-
5. Sales	0	[4]	Nil	[63,162]
6. Closing Stock	0	[0]	Nil	[Nil]

[c] TRADED HAND TOOLS

1. Opening Stock			11,11,01,653	[12,31,87,553]
2. Purchases			77,11,85,016	[50,50,94,530]
3. Sales			88,87,80,019	[68,34,59,617]
4. Closing Stock			13,86,19,477	[11,11,01,653]

ii) Raw material Consumed :

Steel	3286	[3176]	12,00,80,387	[15,12,74,750]
Others	191	[181]	3,30,01,689	[2,60,15,300]
Molding Charges on C A Handles and Sleeves			76,00,031	[63,63,863]

(iii) Value of consumption of Raw Materials, Spare Parts & Components

	Value Rs.		Percentage	
Imported	Nil	[Nil]	Nil	[Nil]
Indigenous	18,62,78,958	[20,92,99,493]	100%	[100%]

iv) Value of Imports on CIF Basis

Raw materials	Nil	[Nil]
Stores & Spare parts	Nil	[Nil]
Capital Goods	Nil	[Nil]
Hand Tools for sale	Nil	[Nil]

(v) Expenditure in Foreign Currency

1. Travel	6,83,559	[7,28,707]
2. Others	3,97,558	[Nil]

(vi) Remittance in Foreign Currency

1. No. of non-resident shareholder/s	1	[1]
2. No. of Shares held	16,500	[16,500]
3. Dividend	Nil	[Nil]

(vii) Earnings in Foreign Currency

FOB Value of exports	2,39,01,420	[2,56,43,375]
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NOTE: Figures in Brackets are for previous year.

Signatures to Schedules A to G and 1 to 9

As per our separate report of even date

For BATLIBOI & PUROHIT

Chartered Accountants

Firm Reg. No. 101048W

H. N. TAPARIA

Chairman & Managing Director

K. A. MEHTA

Partner

Membership No.111749

Mumbai, 13th August, 2010

V. S. DATEY

Company Secretary

Mumbai,

13th August, 2010

D. P. TAPARIA

Director

CASH FLOW STATEMENT

Rupees in Lakhs

		2009-10	2008-09
A Cash Flow from Operating Activities			
Net Profit before tax and extra ordinary items		886.64	645.11
Adjustment for :			
Depreciation	59.00		52.68
Profit / (Loss) on Sale of Assets	-		(6.21)
Interest (Net)	66.96		24.78
		125.96	71.25
Operating profit before Working Capital Changes		1,012.60	716.36
Adjustment for :			
Trade & other Receivables	(506.20)		(47.72)
Inventories	(336.41)		495.40
Trade Payable	539.89		(1,985.48)
		(302.72)	(1,537.80)
Cash Generated From Operations		709.88	(821.44)
Interest Paid		(75.26)	(31.58)
Direct Taxes paid		(316.95)	(245.38)
Cash flow Before Extraordinary Items		317.67	(1,098.40)
Extra Ordinary Items		-	-
Net Cash From Operating Activities After Extraordinary Items		317.67	(1,098.40)
B Cash Flow From Investing Activities			
Purchase of Fixed Assets	(43.28)		(107.10)
Sale of Fixed Assets	-		9.56
Interest Received	8.30		6.80
Net Cash used In Investing Activities		(34.98)	(90.74)

Rupees in Lakhs

		2009-10	2008-09
C Cash Flow From Financing Activities			
Proceeds From Long term & Short term Borrowings	(265.05)		1,163.49
Dividends And Tax Paid	-		-
Net Cash Used In Financing Activities		(265.05)	1,163.49
Net Increase In Cash & Cash Equivalents		17.64	(25.65)
Cash & Cash Equivalent As On 1st April, 2009		30.26	55.91
Cash & Cash Equivalent As On 31st March, 2010		47.90	30.26

To,
The Board of Directors,
Taparia Tools Ltd.,

We have examined the above Cash Flow statement of Taparia Tools Ltd. for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange, Mumbai and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report dated 13th August, 2010 to the members of the Company.

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

K.A. Mehta
Partner
Membership no. 111749

Mumbai,
13th August, 2010

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details		
Registration No.....		13392
State Code.....		11
Balance Sheet Date.....		31.03.2010
II. Capital Raised during the Year		
Public Issue.....		-
Rights Issue.....		-
Bonus Issue.....		-
Private Placement.....		-
III. Position of Mobilisation and Development of Funds		
Total Liabilities.....		36,69,73,743
Total Assets.....		36,69,73,743
Sources of Funds :		
Paid-up Capital		3,03,57,500
Reserve & Surplus.....		21,46,61,120
Secured Loans.....		10,11,97,700
Unsecured Loans.....		2,07,57,423
Application of Funds :		
Net Fixed Assets.....		4,32,90,027
Investments.		-
Net current Assets.....		32,30,05,716
Misc. Expenditure		-
Accumulated Losses.....		-
IV. Performance of Company		
Turnover.....		1,50,06,72,562
Total Expenditure.....		1,41,20,07,947
Profit/(Loss) Before Tax.....		8,86,64,615
Profit/(Loss) After Tax.....		5,83,48,735
Earning Per Share		19.22
Dividend Rate.....		-
V. Generic Names of Three Principal Products/ Services of Company		
Item Code No. (ITC Code).....		8203 to 8206,8467
Product Description.....		Mainly Hand Tools i.e. Pliers, Pincers, Spanners, Wrenches, Screw Drivers, Sockets, Clamps & Pneumatic Chisels
Item Code No. (ITC Code).....		8409
Product Description		Motor Vehicle Parts
Item Code No. (ITC Code).....		7326
Product Description.....		Forging Articles of Iron & Steel.



TAPARIA TOOLS LTD.

Regd. Office :

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

ATTENDANCE SLIP

44TH ANNUAL GENERAL MEETING

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

I hereby record my presence at the 44th Annual General Meeting of the Shareholders of the Company at Emerald Park, Sharanpur Link Road, Nashik - 422 002 on Tuesday, the 28th day of September, 2010 at 12.30 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 44th Annual General Meeting of the Company, to be held on Tuesday, the 28th September, 2010 or at any adjournment thereof.

As witness my/our hand(s) this _____ Day of September, 2010

Affix Re 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 time for holding the aforesaid Meeting.