

## *Contents*

<b>2</b>	Corporate Information
<b>3</b>	Notice of the Annual General Meeting
<b>12</b>	Financial Highlights
<b>13</b>	Directors' Report
<b>17</b>	Management Discussion and Analysis
<b>18</b>	Report on Corporate Governance
<b>27</b>	Auditors' Report
<b>30</b>	Balance Sheet
<b>31</b>	Profit & Loss Account
<b>33</b>	Schedules forming part of Accounts
<b>40</b>	Notes on Accounts
<b>46</b>	Cash Flow Statement
<b>48</b>	Additional Information

## ***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 Rajeev J. Mundra  
Dr. Maheshkumar G. Nathani - Executive Director

## ***Company Secretary***

Shri V.S. Datey

## ***Bankers***

HDFC Bank Limited

## ***Solicitors***

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

## ***Auditors***

M/s. Batliboi & Purohit, Mumbai

## ***Corporate Office***

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

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

[www.taparia.com](http://www.taparia.com)

## Notice

NOTICE is hereby given that Forty Fifth Annual General Meeting of TAPARIA TOOLS LIMITED will be held at Hotel Emerald Park, Sharanpur Link Road, Nashik – 422 002 on Friday, the 30th day of September, 2011 at 1.00 p.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 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 M. P. Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D. P. Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Virendra Bangur, 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 sections 198 and 310 of the Companies Act, 1956 read with Schedule XIII and subject to other applicable rules, the ceiling limit of remuneration payable to Shri H. N. Taparia, Managing Director be increased from its existing limit of ₹ 2,50,000/- per month to ₹ 5,00,000/- per month subject to availability of adequate profits as prescribed in sections 198, 269, 310 and 311 of the Companies Act, 1956.”  
“RESOLVED FURTHER that the Board of Directors on recommendation 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 ₹ 5,00,000/- 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.”  
“RESOLVED FURTHER that in the event of loss, absence or inadequacy of profits, the remuneration shall not exceed the ceiling prescribed in paragraph (1)(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.”  
“RESOLVED FURTHER that in the event of loss, absence or inadequacy of profits, proposed special resolution for the remuneration, if approved by the general body meeting of the shareholders shall be effective only for three years from the date of passing of resolution.”
7. 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, Dr. Maheshkumar G. Nathani be and is hereby appointed as the Executive Director of the Company w.e.f August 28, 2011 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 Dr. Maheshkumar G. Nathani, Executive Director be increased from its existing limit of ₹ 1,50,000/- per month plus perquisites to ₹ 3,00,000/- per month plus perquisites as follows :  
a) Medical Reimbursement:  
Expenses incurred for himself and his family, upto a maximum of ₹ 30,000/- per annum.

b) Leave and Leave Travel Allowance:

Leave as per rules of the Company including encashment of leave. Leave Travel Concession for self and family, once in a year, incurred in accordance with the rules of the Company, restricted to a maximum of ₹ 20,000/- per annum.

c) Other Payments and Provisions

Other Payments and Provisions will continue as per earlier approval, which are as under:

i) *Contribution towards Provident Fund*

Contribution towards Provident Fund will be as per present rules of the Company, which may be modified by discussion. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

ii) *Gratuity*

Gratuity payable shall not exceed half month's latest drawn salary for each completed year of service, as per the present practice.

iii) *Encashment of leave at the end of tenure.*

iv) *Car*

A car will be provided by the Company. The use of Company's car for business purposes will not be considered as a perquisite.

v) *Telephone*

Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be paid by the Company.

"RESOLVED FURTHER that in the event of loss, absence or inadequacy of profits, the remuneration shall not exceed the ceiling prescribed in paragraph (1)(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER that in the event of loss, absence or inadequacy of profits, proposed special resolution for the remuneration, if approved by the general body meeting of the shareholders shall be effective only for three years w.e.f. 28.08.2011 though the appointment of the Executive Director is approved for a period of five years."

"RESOLVED FURTHER that the Board of Directors on recommendation of the Remuneration Committee of the Board, fix the actual salary payable to Dr. Maheshkumar G. Nathani, Executive Director, from time to time, within the aforesaid ceiling limit of ₹ 3,00,000/- per month plus perquisites, after considering cost of living index, profitability, performance and contribution of the Executive 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".

By order of the Board

Mumbai, 13<sup>th</sup> August, 2011

*Registered Office:*

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

**V. S. Datey**  
*Company Secretary*

## *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 28th day of September, 2011 to 30th day of September, 2011 (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 Section 205C by the Companies (Amendment) Act, 1999 have been transferred to General Revenue Account of the Central Government and thereafter up to the financial year ended 2002-03 have been transferred to the Investor Education and Protection Fund.

Kindly note that in terms of Section 205C of the Companies Act, 1956 the unclaimed dividend for the financial year 2003-2004 (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, 2011.

Those shareholders who have not encashed the dividend warrant for the financial year 2003-2004 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 13<sup>th</sup> August, 2011:

### **Item No. 6**

In the Annual General Meeting of the Shareholders of the Company held on 28-09-2010, Shri H.N. Taparia was re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. 17-09-2010. While appointing, the Shareholders approved the ceiling limit of remuneration payable to the Managing Director at ₹ 2,50,000/- per month plus perquisites.

During his tenure, the Company has made tremendous progress under his leadership. He is instrumental in positioning Taparia Tools Ltd. as the market leader in premium grade hand tools. Also, there has been a decent increase in overall returns of the Company.

Considering the cost of living index and ever growing volume of the business, it was proposed to increase the ceiling limit of remuneration of the Managing Director from ₹ 2,50,000/- per month plus exiting perquisites to ₹ 5,00,000/- per month plus exiting perquisites which are as under :

**PERQUISITES** : Perquisites shall be allowed in addition to Salary.

- a) Re-imburement of actual traveling 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 family.
- b) Personal Insurance premium of which shall not exceed 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.

The Board on the recommendation of the Remuneration Committee considered the increase in the ceiling limit of remuneration payable to Shri H.N. Taparia, Managing Director from ₹ 2,50,000/- per month to ₹ 5,00,000/- per month plus perquisites as described hereinabove.

In the event of loss, absence or inadequacy of profits, the remuneration shall not exceed the ceiling prescribed in paragraph (1)(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. In order to enable the Company to pay the minimum remuneration as prescribed in the said paragraph, the information required is given 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

(₹ in lakhs)

Financial Year Ended	31.03.2011	31.03.2010	31.03.2009
Net Sales	18217.13	14484.82	11834.40
Profit before interest and depreciation	1036.39	1020.91	729.37
Interest	114.74	75.26	31.58
Depreciation	58.31	59.00	52.68
Profit for the year before tax	863.34	886.65	645.11
Provision for taxation	282.90	303.16	250.49
Profit after tax	580.44	583.49	394.62
Equity Share Capital	303.57	303.57	303.57

(4) Export performance and net foreign exchange collaborations (₹ in lakhs)

Financial Year Ended	31.03.2011	31.03.2010	31.03.2009
Foreign Exchange Earnings (FOB value of Export)	247.38	239.01	256.43

## II. INFORMATION ABOUT THE MANAGING DIRECTOR:

(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 34 years.

(2) Past remuneration

Ceiling Limit of Remuneration was ₹ 2,50,000/- p.m. and actual remuneration payable was ₹ 2,25,000/- 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 ₹ 2,50,000/- p.m. to ₹ 5,00,000/- 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.

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

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.

Further, in the event of loss, absence or inadequacy of profits, proposed special resolution for the remuneration, if approved by the general body meeting of the shareholders shall be effective only for three years from the date of passing of the resolution.

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.

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

**Item No. 7**

Dr. Maheshkumar G. Nathani was appointed as the Executive Director of the Company on 28.08.1996 and reappointed as Executive Director from time to time up to 27.08.2011. His proposed reappointment as Executive Director is for five years from 28.08.2011 to 27.08.2016.

Under his administration, Company's Plants at Nashik and Goa have made good progress and the operations of the Company have been becoming more and more sound including development of managers under him.

Since his tenure as the Executive Director is expiring on 27.08.2011, the Board at its meeting held on May 7th, 2011 considered and recommended the reappointment of Dr. Maheshkumar G. Nathani for a further period of five years w.e.f. August 28, 2011.

In the Annual General Meeting of the Company held on 25<sup>th</sup> September 2009, the shareholders fixed the ceiling limit of remuneration payable to Dr. Maheshkumar G. Nathani, Executive Director, from its limit of ₹ 75,000/- per month plus other perquisites to ₹ 1,50,000/- per month plus other perquisites provided that the salary payable to him shall not be lower than his existing salary.

Now, considering the progress under the leadership of Dr. Maheshkumar G. Nathani as Executive Director and also considering the cost of living index, ever growing volume of the business, profitability performance and contribution of the Executive Director to the progress of the Company and other relevant circumstances, it is proposed to increase the Ceiling Limit of Remuneration payable to Dr. Maheshkumar G. Nathani as Executive Director from present limit of ₹ 1,50,000/- per month plus perquisites to ₹ 3,00,000/- per month plus perquisites.

Dr. Maheshkumar G. Nathani is entitled to the following perquisites:

a) Medical Reimbursement:

Expenses incurred for himself and his family, upto a maximum of ₹ 30,000/- per annum.

b) Leave and Leave Travel Allowance:

Leave as per rules of the Company including encashment of leave. Leave Travel Concession for self and family, once in a year, incurred in accordance with the rules of the Company, restricted to a maximum of ₹ 20,000/- per annum.

c) Other Payments and Provisions

Other Payments and Provisions will continue as per earlier approval, which are as under:

i) Contribution towards Provident Fund

Contribution towards Provident Fund will be as per present rules of the Company, which may be modified by discussion. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

ii) Gratuity

Gratuity payable shall not exceed half month's latest drawn salary for each completed year of service, as per the present practice.

iii) Encashment of leave at the end of tenure.

iv) Car

A car will be provided by the Company. The use of Company's car for business purposes will not be considered as a perquisite.

v) Telephone

Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be paid by the Company.

In the Meeting of Remuneration Committee and the Board held on May 7th, 2011, it was recommended and considered / approved that subject to approval of Shareholders, the aforesaid ceiling limit be increased.

In the event of loss, absence or inadequacy of profits, the remuneration shall not exceed the ceiling prescribed in paragraph (1)(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. In order to enable the Company to pay the minimum remuneration as prescribed in the said paragraph, the information required is given as under:

**I. GENERAL INFORMATION:**

Please refer the information under the heading General Information in Item No. 6 of the Explanatory Statement.

**II. INFORMATION ABOUT THE APPOINTEE:**

(1) Background details

Dr. Maheshkumar G. Nathani is a M.Sc. and holds a Ph.D. He has long experience in various fields, i.e., Production Planning and Control, Ancillary Development, Administration, Personnel, Export Sales, etc. He has overall supervision and management of the Company's production operations taking place at Nashik and Goa.

(2) Past remuneration

Ceiling Limit of Remuneration was ₹ 1,50,000/- p.m. and actual remuneration payable was ₹ 1,50,000/- p.m.

(3) Job profile and his suitability

The role of the Executive Director is to design, develop and implement strategic plans for their organization in a cost-effective and time-efficient manner. 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.

Dr. Maheshkumar G. Nathani is a Senior Corporate Personality and the Company has made tremendous progress under his supervision. He has an experience of about four decades in handling and supervising the operations of the Company. He possess the leadership qualities such as management and control, training the managers, etc.

- (4) Remuneration proposed  
Ceiling limit of Remuneration to be increased from ₹ 1,50,000/- p.m. to ₹ 3,00,000/- p.m.
- (5) 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 Dr. Maheshkumar G. Nathani, the proposed remuneration is at par with the remuneration being paid to such senior executives by organizations in the Corporate Sector.
- (6) Pecuniary relationship directly/indirectly with the company/ relationship with the managerial personnel, if any.  
Dr. Maheshkumar G. Nathani is not related directly/indirectly with the Company/ Managerial personnel.

**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 Dr. Maheshkumar G. Nathani. All elements of remuneration package are given in the Corporate Governance annexed to the Board of Directors' Report.

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.

Since the reappointment of Executive Director and the remuneration payable to the Executive 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.

Further, in the event of loss, absence or inadequacy of profits, proposed special resolution for the remuneration, if approved by the general body meeting of the shareholders shall be effective only for three years w.e.f. 28.08.2011 though the appointment of the Executive Director is approved for a period of five years."

None of the other Directors except Dr. Maheshkumar G. Nathani is interested in the resolution.

Details of Dr. Maheshkumar G. Nathani as required under Clause 49 of the Listing Agreement are given in the Annexure to the Notice.

The resolutions 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.

By order of the Board

Mumbai,  
13<sup>th</sup> August, 2011

**V. S. Datey**  
Company Secretary

## *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	Dr. Maheshkumar G. Nathani	Shri M. P. Taparia	Shri D. P. Taparia	Shri Virendra Bangur
Date of Birth	11.10.1946	10.10.1947	24.10.1950	19.03.1975
Date of Appointment / Reappointment	28.08.2006	30.09.2008	30.09.2008	26.09.2007
Experience in specific functional areas	Production Planning & Control, Ancillary Development, Administration, Personnel, Export Sales, etc.	Sales Management	Handling sales of the Company.	Industrialist
Experience	43 years	38 years	43 years	15 years
Educational Qualifications	M.Sc., Ph.D.	B. Com	B. Com, DBM	B. Com
Details of equity shares held in the Company	2090	129265	68799	56526
Directorship in other listed Companies as on 31.03.2011	Nil	Nil	Glory Polyfilms Ltd.	Jayashree Chemicals Ltd. Rama News Print & Papers Ltd.
Chairman/Member of the Committees of other companies in which he is a Director as on 31.03.2011	Nil	Nil	Nil	Jayashree Chemicals Ltd

*Financial Highlights*

## SHAREHOLDERS' FUNDS

1967-1968 : ₹ 39.80 Lakhs  
 2010-2011 : ₹ 3025.80 Lakhs

(₹ in lakhs)

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>FOR THE YEAR</b>					
1. GROSS REVENUE	9802.31	12928.22	12711.63	15506.73	19484.85
2. PROFIT BEFORE TAX	435.87	581.90	645.11	886.65	863.34
3. PROFIT AFTER TAX	297.83	388.52	394.62	583.49	580.44
4. RETAINED EARNINGS	169.37	304.80	659.43	1182.92	1703.36
5. CASH GENERATION	352.23	448.37	447.30	642.49	638.76
6. FOREIGN EXCHANGE EARNINGS	337.95	290.49	256.43	239.01	247.38
<b>AT YEAR END</b>					
7. GROSS FIXED ASSETS	2649.75	2677.61	2703.03	2746.18	2781.21
8. SHARE CAPITAL	303.57	303.57	303.57	303.57	303.57
9. RESERVES AND SURPLUS	1061.19	1157.57	1542.42	2146.61	2722.22
10. NET WORTH	1364.76	1461.15	1845.99	2450.18	3025.80
11. BORROWINGS	207.57	321.11	1484.60	1219.55	1569.30
12. CAPITAL EMPLOYED	1572.34	1782.26	3330.60	3669.74	4595.10
<b>PER SHARE</b>					
13. NET WORTH PER EQUITY SHARE	44.96	48.13	60.81	80.70	99.67
14. EARNING PER SHARE	9.81	12.80	13.00	19.22	19.12
<b>RATIO</b>					
15. DEBT: EQUITY RATIO (Debt: Equity Share Capital)	0.68	1.06	4.89	4.02	5.17

## Directors' Report

To the Members of Taparia Tools Ltd.,

Your Directors have pleasure in presenting the 45th Annual Report on the operations of the Company together with the Financial Accounts for the year ended March 31, 2011.

### FINANCIAL PERFORMANCE

	[ ₹ in lakhs]	
	2010-2011	2009-2010
Sales (Net)	18217.13	14484.82
Profit before interest and depreciation	1036.39	1020.91
<i>Less: Interest</i>	114.74	75.26
Gross Profit	921.65	945.65
<i>Less : Depreciation</i>	58.31	59.00
Profit for the year before tax	863.34	886.65
<i>Less : Provision for taxation</i>		
Current Tax	294.00	300.45
Previous year	-	-
Deferred Tax	(11.10)	2.71
Profit after tax	580.44	583.49
<i>Add : Surplus brought forward from previous year</i>	1182.92	659.43
Profit available for Appropriations	1763.36	1242.92
<i>Less : General Reserve</i>	60.00	60.00
Surplus carried to Balance Sheet	1703.36	1182.92

### DIVIDEND

The Directors have not recommended any dividend for the year under review as the funds are retained for modernization and expansion of the activities of the company.

### REVIEW OF OPERATIONS

The Indian economy has comparatively shown faster recovery as compared to the world economy. However there has been a continuous increase in the prices of steel and oil. During the year under review, the Company has continued its policy to operate giving due importance

to the quality of its products which have resulted in increased sales volume. The Company has implemented the latest technology in the day-to-day operations of the Company which have reflected improvements during the year. The Company has successfully implemented the latest E.R.P. system i.e., SAP.

During the year under review, the Company's total sales (Net of Excise Duty) were ₹ 18,217.13 lakhs that represent an increase of 25.77% over the sales of ₹ 14,484.82 lakhs in the previous year. Profit earned after tax was ₹ 580.44 lakhs in the current year against ₹ 583.49 lakhs in the previous year.

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

### 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 satisfactory during the year under review. The Company has successfully entered into the new wage agreement with the workmen after negotiations.

There was no employee drawing salary of more than ₹ 2,00,000/- per month or ₹ 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 M. P. Taparia, Shri D. P. Taparia and Shri Virendra Bangur, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief profile of the Directors is given in the Annexure to the Notice.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- 4) The Directors have prepared the annual accounts on a "going concern basis".

**AUDITORS**

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

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

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

**ENERGY, TECHNOLOGY 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>(₹ in Lakhs)</i>
a) Excise Duty	621.04
b) VAT/CST	784.58
c) Octroi & Municipal Taxes	65.66
d) Income Tax	307.50
Total	1,778.78

**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, 13<sup>th</sup> August 2011

**H.N. Taparia**  
*Chairman &  
Managing Director*

## Annexure 'A' to the Directors' Report

### DISCLOSURES

#### A) CONSERVATION OF ENERGY

##### a) Energy conservation measures taken:

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

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

- Installed electrical induction heating machine in place of oil fired furnace for heating socket blanks, which has reduced air pollution and increased productivity.
- Installed wind driven turbo vents for improved ventilation.
- Used polycarbonate transparent sheets for improving the daylight.

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

- Exploration of LPG Gas in place of furnace oil for heating the blanks for forging.
- Exploration of continuous normalizing and annealing furnace to save electrical energy.
- Exploration of Shaker Hearth Furnace for hardening process in place of existing conventional muffle furnace at Tap Tools, Goa

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

- Reduced air pollution in the areas where heating of material is involved, resulting in better working conditions
- Improved thermal efficiency.
- Cost reduction.
- 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 2010-11	Previous year 2009-2010
<b>I) Power/fuel consumption :</b>		
1. Electricity		
(a) Purchased :		
Unit Lakhs(KWH)	58.39	55.60
Total Cost (₹ Lakhs)	295.77	257.58
Average Rate/₹/KWH	5.07	4.63
(b) Own Generation :		
Unit (Lakh KWH)	-	-
Unit per ltr.of diesel oil	-	-
Average Rate/Unit (₹)	-	-
2. Furnace Oil :		
Purchased (KL)	497.31	495.70
Total Cost (₹/Lakhs)	154.30	142.61
Average Rate (₹/ltr.)	31.03	28.77
<b>II) Consumption per unit of production:</b>		
Electricity (Unit/MT)	2921	3183
Furnace Oil (Ltr./MT)	249	284
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 2010-2011 :
  - Heavy Duty Side Cutting Pliers
  - T-Head Adaptors
  - Heavy Duty Box Spanners
  - Flank Drive Sockets in big sizes
- Productivity has increased at following places:
  - Modified fixtures in plating section
  - Improved fixture for Screw Driver tip machining for increasing production
  - Machining and grinding processes
  - Providing fixtures in grinding of combination and long nose pliers
  - Reducing machining allowances of circlip pliers

- (2) Benefits derived as a result of the above R & D:
- Increased the Product Range
  - Increased the market share in existing products
  - Increased the turnover of the Company

(3) Future plan of action:

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

- Torque wrenches
- Cantilever tool box
- The company is considering to modernize the inspection and testing facilities to upgrade the quality control function. The following equipment are under exploration :
  - Vickers Hardness Testing Machine for precision Hardness testing.
  - Spectro Testing Equipment for faster and accurate raw material chemical analysis
  - Torque Testing Equipment for 600 Kgm to 1000 Kgm capacity
- To continue efforts on cost reduction and quality improvement.

(4) Expenditure on R & D :

a) Capital	-
b) Recurring	₹ 62.75 Lakhs
c) Total	<u>₹ 62.75 Lakhs</u>
d) Total R & D Expenditure as a percentage of total turnover	0.34 %

b) *Technology absorption, adaptation and innovation:*

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

- To compete at the National and International levels, the Company is exploring to import better manufacturing facilities for plier machining.
- The company has continued the exploration of modern manufacturing practices available in national as well as international manufacturing industries.

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

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

(3) Technology imported during the last five years:

The Company has not imported any technology from outside.

(4) Foreign Exchange earnings and outgo:

Foreign exchange earnings	: ₹ 2,47,38,193
Foreign exchange outgo	: ₹ 82,49,771

---

## *Management Discussion And Analysis*

### **OVERVIEW**

This year, the Indian economy has been characterized by robust economic growth and steady fiscal consolidation. Inflation continues to be high even though it has come down markedly from where it was at the start of the fiscal year. The economy has emerged with remarkable rapidity from the slowdown caused by the global crisis, with GDP growth rate of 8.6% as against 7.2% in 2009-2010 influenced by growth in the Agricultural Sector and a forward momentum in the manufacturing industry. Policies were formulated to help moderate inflation, accelerate economic inclusion, boost investment and infrastructure, and enable agriculture, which has revived remarkably well this year, to be on a sustained high growth path.

### **BUSINESS OF THE COMPANY**

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

### **PERFORMANCE**

With the recovery of the economy, the Company has also maintained to post better market share in the Hand Tools market. As compared to the previous year, the performance of the Company was satisfactory. The rising inflation trends have affected the profits of the Company to some extent. The Company has continued its policy to operate giving due importance to the quality of its products which has resulted in increased sales volume.

The Company has achieved profitability yet another year. The company's business has posted better performance. Total turnover of the Company during the year was ₹ 18217.13 Lakhs. The Company's sales volume grew by 25.77% as compared to previous year.

### **OPPORTUNITIES AND THREATS**

The global economic and financial situation is recovering slowly. The growth of the company saw further strengthening of its quality. With new technology and modernization prospects, the Company can achieve great heights in the coming years.

Emergence of small scale and cottage industries producing hand tools can prove threat to the Company. Hand Tools with duplicate "Taparia" brand has also proved to be a danger to the Company. In addition, scarcity of skilled and experienced labour force outsourcing has continued to be threat to the Company.

### **INTERNAL CONTROL SYSTEM**

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

### **HUMAN RESOURCES**

The overall employee relations were peaceful and harmonious throughout the year. The Company continued to create a productive, learning and caring environment by implementing robust and comprehensive HR processes. 2010-11 saw the Company attracting substantial talent to fill some key Senior Leadership positions. This has helped the Company to maintain constructive relationship with its employees through a positive environment so as to improve productivity and efficiency by successfully entering the new wage agreement.

### **CONCLUSION**

Your Company enjoys its successful journey towards increasing volume and profitability of the business for yet another year. The Company will continue to make investments in the hand tool business to further consolidate its leadership position.

---

### **CAUTIONARY STATEMENT**

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

## *Report On Corporate Governance for the financial year 2010-2011*

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance at Taparia Tools Limited is a value-based framework to manage the affairs of the Company in a fair and transparent manner. As a good governance practice, the Company has always focused on developing and implementing higher standards of accountability as a need to strive for excellence as well as to be trustworthy among the masses. Fairness in words, actions and deeds are the pillars of the Corporate Governance philosophy of the Company. The business strategy and plan are consistent to bring sustainable corporate growth and long term benefits to all. Corporate Governance in substance rather than in form is what the Company believes in and implements. The Company has an active, well-informed and independent Board to ensure highest standards of Corporate Governance Practices. All the above values like independence, integrity, accountability, transparency, responsibility and fairness are followed consistently in all its corporate decisions.

### 2. BOARD OF DIRECTORS

#### Composition of Board:

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

#### Board Meetings:

Four Board Meetings were held during the year ended on 31 March 2011. These were held on May 5, 2010; August 13, 2010; November 13, 2010 and February 11, 2011. Maximum time gap between two Board Meetings did not exceed the limits as prescribed in Clause 49 of the Listing Agreement.

#### Attendance of Directors at the Board Meetings

Name of Director	Category	Meetings		Directorships in other public companies
		Board	AGM	
Shri H. N. Taparia	Chairman & MD, Promoter Director	4	Yes	1
Shri M. V. Gore	Independent Director	4	Yes	1
Shri P. N. Shah	Independent Director	4	-	5
Shri B. B. Ladda	Independent Director	4	-	-
Shri G. S. Manasawala	Independent Director	4	-	1
Shri Rajeev J. Mundra	Independent Director	4	-	2
Shri Virendra Bangur	Independent Director	0	-	5
Shri J. K. Taparia	Non-Executive, Promoter Director	3	Yes	-
Shri M. P. Taparia	Non-Executive, Promoter Director	4	-	-
Shri D. P. Taparia	Non-Executive, Promoter Director	4	Yes	2
Dr. Maheshkumar. G. Nathani	Executive Director	4	Yes	-

Shri M. P. Taparia, Shri D. P. Taparia and Shri Virendra Bangur are liable to retire by rotation and being eligible offer themselves for reappointment. Information as required under Clause 49 of the Listing Agreement is given in the Annexure to the Notice.

### 3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of five Independent Directors:

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

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

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

Four Meetings were held during the year – on May 5, 2010; August 13, 2010; November 13, 2010 and February 11, 2011.

#### Attendance of Directors at the Audit Committee Meetings

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

### 4. REMUNERATION COMMITTEE

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

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

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

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

One Remuneration Committee Meeting was held in the year under review on August 13, 2010. All the members of the Committee were present at the meeting.

#### Details of Sitting Fees to Non-Executive Directors & Independent Directors

Name of Director	Amount (₹)	Name of Director	Amount (₹)
Shri M.V. Gore	25,000	Shri B. B. Ladda	25,000
Shri P. N. Shah	25,000	Shri Virendra Bangur	0
Shri J. K. Taparia	15,000	Shri D. P. Taparia	20,000
Shri M. P. Taparia	20,000	Shri G. S. Manasawala	25,000
Shri Rajeev J. Mundra	24,000		
Total Sitting Fees Paid			1,79,000

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



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

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

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

## 7. GENERAL BODY MEETINGS

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

Year	Day & Date	Time	Location
2007-2008	Tuesday 30.09.2008	12.00 Noon	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2008-2009	Friday 25.09.2009	12.30 p.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2009-2010	Tuesday 28.09.2010	12.30 p.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002

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

Date of the AGM	Number of Special Resolutions passed	Subject matter
September 30, 2008	Nil	-
September 25, 2009	2	Increase in the ceiling limit of remuneration of the Chairman & Managing Director and the Executive Director.
September 28, 2010	1	Re-appointment of Managing Director for a further period of 5 years.

## 8. DISCLOSURES

### Related Party Transactions

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

### Compliances by the Companies

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

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

- a) The Company has constituted a Remuneration Committee, full details are furnished in this report.

- b) The Financial Results of the Company are published in the newspapers on quarterly basis. Hence, they are not sent to each household of the shareholders.
- c) The statutory financial statements of the Company are unqualified.
- d) The Board of Directors of the Company consists of an optimal blend of Company Executives and Independent professionals having knowledge of Business and expertise in their area of specialization.

**9. MEANS OF COMMUNICATION**

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

**10. CODE OF CONDUCT**

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

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

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

**11. GENERAL SHAREHOLDERS INFORMATION:****i) Annual General Meeting**

Day, Date & Time : Friday, September 30, 2011 at 1.00 p.m.

Venue : Hotel Emerald Park,  
Sharanpur Link Road, Nashik – 422 002

**ii) Financial Calendar**

Year Ending : March 2012

Quarterly Results : To be declared within 45 days from the relevant quarter.

Meeting for consideration of quarterly unaudited results : Within 45 days from end of quarter as per the Listing Agreement with the Bombay Stock Exchange

Audited results for the year ending on 31st March 2012 : July / August 2012

Annual General Meeting for the year 2012 : September 2012

**iii) Date of Book Closure**

From September 28, 2011 (Wednesday) to September 30, 2011 (Friday), inclusive of both days.

**iv) Dividend Payment Date**

No Dividend for F.Y. 2010-11 is proposed.

**v) Listing on Stock Exchange and Stock Code**

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

The Company has paid Annual Listing Fees to BSE, Mumbai for the financial years – 2009-2010, 2010-2011 and 2011-12.

**vi) Market Price Data**

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

**vii) Registrar & Share Transfer Agents**

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

**viii) Share Transfer System**

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

**ix) Distribution of Shareholdings as on 31<sup>st</sup> March 2011:**

Sr. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shareholdings	% of shareholdings
1	Upto - 5000	388	91.73	74223	2.45
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	1.19	233998	7.71
7	50001 - 100000	11	2.60	693168	22.83
8	100001 & above	11	2.60	1813304	59.73
	TOTAL	423	100.00	3035750	100.00

**x) Shareholding Pattern as on 31<sup>st</sup> March 2011:**

Category of shareholders	No. of shareholders	No. of shares	%age of shareholding
Promoters	22	2045396	67.38
Bodies Corporate (Promoters)	1	25300	0.83
Bodies Corporate (Others)	5	417067	13.74
Foreign Investors	1	16500	0.54
Bank/FIs	0	0	0.00
Others	394	531597	17.52
TOTAL	423	3035750	100.00

**xi) Dematerialisation and Liquidity:**

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

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity: Not Applicable.

**xii) Plant Locations**

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

**xiii) Registered Office and Address for correspondence**

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

For and on behalf of the Board,

Mumbai,  
13th August, 2011

**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, 2011.

For and on behalf of the Board,

Mumbai,  
13th August, 2011

**H.N. Taparia**  
*Chairman & Managing Director*

### CEO/CFOCERTIFICATION

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 in violation of the company's Code of conduct.
3. We accept overall responsibility for the company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are 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, 2011

*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, 2011, 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.

**For BATLIBOI & PUROHIT**

*Chartered Accountants*

Firm Reg. No. 101048W

**Kaushal Mehta**

*Partner*

(Membership no. 111749)

Mumbai,

13<sup>th</sup> August, 2011

## *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 31<sup>st</sup> March 2011, 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 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March, 2011;
    - ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - iii) In the case of Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

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

**Kaushal Mehta**  
*Partner*  
(Membership no. 111749)

Mumbai,  
13<sup>th</sup> August, 2011

## *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 not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the Public within the meaning of sections 58A, 58AA or any other relevant provisions of the Act.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education

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

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

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

- (x) The company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and bank.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.

(xvi) Based on the information and explanations given to us, no term loans have been taken by the Company.

(xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet and Cash Flows of the Company, in our opinion no funds raised on short term basis have been used for long term investment.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xx) During the period covered by our audit report, the company has not raised any money by Public issues.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**Kaushal Mehta**  
Partner

Mumbai,  
13<sup>th</sup> August, 2011

(Membership no. 111749)

**Balance Sheet as at 31st March, 2011**

(Figures in ₹)

	Schedule		As at 31st March, 2011	As at 31st March, 2010
<b>SOURCES OF FUNDS</b>				
Shareholders' Funds				
Share Capital	A	3,03,57,500		3,03,57,500
Reserves & Surplus	B	27,22,22,499		21,46,91,720
			30,25,79,999	24,50,49,220
Loan Funds				
Secured Loans	C	14,28,17,231		10,11,97,700
Unsecured Loans	D	1,41,12,700		2,07,57,423
			15,69,29,931	12,19,55,123
			45,95,09,930	36,70,04,343
<b>APPLICATION OF FUNDS</b>				
Fixed Assets				
Gross Block	E	27,81,21,349		27,46,17,814
Less : Depreciation		23,60,65,873		23,13,27,787
Net Block			4,20,55,476	4,32,90,027
Deferred Tax Asset [Net]			17,88,000	6,78,000
Current Assets, Loans & Advances				
Inventories	F	37,95,59,184		25,65,80,316
Sundry Debtors		15,95,00,812		13,08,00,450
Cash & Bank Balances		41,97,141		47,89,701
Loans & Advances		20,65,27,458		10,67,45,884
			74,97,84,595	49,89,16,351
Less : Current Liabilities & Provisions	G	33,41,18,141		17,58,80,035
Net Current Assets			41,56,66,454	32,30,36,316
			45,95,09,930	36,70,04,343
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

**KAUSHAL MEHTA**  
Partner  
Membership No.111749  
Mumbai, 13th August, 2011

**V. S. DATEY**  
Company Secretary  
Mumbai,  
13th August, 2011

**D. P. TAPARIA**  
Director

## *Profit and Loss Account for the year ended 31st March, 2011*

(Figures in ₹)

	Schedule		2010-11	2009-10
<b>INCOME</b>				
Sales			1,88,12,95,035	1,49,63,60,055
Less : Excise Duty			5,95,81,999	4,78,77,680
			1,82,17,13,036	1,44,84,82,375
Other Income	1		2,58,72,915	4,10,87,891
Increase / [ Decrease ] in Stocks	2		10,08,98,953	1,11,02,296
			12,67,71,868	5,21,90,187
<b>TOTAL INCOME</b>			<b>1,94,84,84,904</b>	<b>1,50,06,72,562</b>
<b>EXPENDITURE</b>				
Raw Materials Consumed	3		18,62,22,801	16,06,82,107
Trading Items Purchase			1,10,96,71,024	77,11,85,016
Manufacturing Expenses	4		15,52,52,181	14,18,63,875
Payments to and Provisions for Employees	5		16,98,62,235	14,33,34,802
Other Expenses	6		2,05,71,627	2,01,46,643
Interest	7		1,14,74,121	75,25,801
Distribution & Selling Expenses	8		20,32,65,285	16,13,69,654
Depreciation	E	63,44,851		61,53,633
Less: Transferred from Fixed Assets Revaluation Reserve		5,13,378		2,53,584
			58,31,473	59,00,049
<b>TOTAL EXPENDITURE</b>			<b>1,86,21,50,747</b>	<b>1,41,20,07,947</b>
Profit before Taxation			8,63,34,157	8,86,64,615
Less : Provision for Taxation				
Current Year Tax			2,94,00,000	3,00,44,880
Deferred Tax			(11,10,000)	2,71,000
			2,82,90,000	3,03,15,880
Profit after Tax			5,80,44,157	5,83,48,735
Add : Surplus brought forward			11,82,91,880	6,59,43,145
Balance Available for Appropriations			17,63,36,037	12,42,91,880

***Profit and Loss Account for the year ended 31st March, 2011 (Contd.)****(Figures in ₹)*

Schedule	2010-11	2009-10
Balance Available for Appropriations	17,63,36,037	12,42,91,880
<b>APPROPRIATIONS :</b>		
Less : General Reserve	60,00,000	60,00,000
Surplus Carried to Balance Sheet	17,03,36,037	11,82,91,880
EARNINGS PER SHARE (See Note no.6 of Schedule.9 )		
Basic/Diluted Earnings Per Share	19.12	19.22
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

**KAUSHAL MEHTA**  
Partner  
Membership No.111749  
Mumbai, 13th August, 2011

**V. S. DATEY**  
Company Secretary  
Mumbai,  
13th August, 2011

**D. P. TAPARIA**  
Director

## Schedules forming part of the Balance Sheet

(Figures in ₹)

		As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - A</b>			
SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.10/- Each		5,00,00,000	5,00,00,000
Issued, Subscribed & Paid-Up			
30,35,750 Equity Shares of Rs.10/- Each fully paid-up		3,03,57,500	3,03,57,500
(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).			
		3,03,57,500	3,03,57,500
<b>SCHEDULE - B</b>			
RESERVES AND SURPLUS			
Fixed Assets Revaluation Reserve	1,21,27,265		1,00,26,691
Add / (Less) : Adjustment	0		23,54,158
Less : Transferred to Profit & Loss A/c.	(5,13,378)		(2,53,584)
		1,16,13,887	1,21,27,265
Share Premium Account		50,00,000	50,00,000
Capital Reserve		45,00,000	45,00,000
General Reserve	7,47,72,575		6,87,72,575
Add : Transferred From P & L Account	60,00,000		60,00,000
		8,07,72,575	7,47,72,575
Surplus in Profit & Loss Account		17,03,36,037	11,82,91,880
		27,22,22,499	21,46,91,720

## Schedules forming part of the Balance Sheet

(Figures in ₹)

	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - C</b>		
SECURED LOANS		
WORKING CAPITAL LOANS:		
From Central Bank of India	-	10,11,97,700
From HDFC Bank Limited	14,28,17,231	-
	<u>14,28,17,231</u>	<u>10,11,97,700</u>
<i>NOTE : Loans from the bank are secured by the Hypothecation of raw materials, Stores, including consumable tools, dies, etc., finished &amp; semi-Finished goods &amp; stock-in-trade, land &amp; buildings.</i>		
<b>SCHEDULE - D</b>		
UNSECURED LOANS		
Sales Tax Deferral Loans	1,41,12,700	2,07,57,423
	<u>1,41,12,700</u>	<u>2,07,57,423</u>

## SCHEDULE- E FIXED ASSETS

(Figures in ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2010	Additions	Adjustments	As at 31.3.2011	Up to 1.4.2010	For The Year	Adjustments	Up to 31.3.2011	As at 31.3.2011	As at 31.3.2010
Land	64,53,515	19,02,800	-	83,56,315	15,75,014	35,142	-	16,10,156	67,46,159	48,78,501
Buildings	6,03,96,501	39,020	-	6,04,35,521	3,87,60,927	16,14,326	-	4,03,75,253	2,00,60,268	2,16,35,574
Plant & Machinery	17,71,79,061	23,72,826	-	17,95,51,887	16,96,55,573	22,10,067	-	17,18,65,640	76,86,247	75,23,488
Computers	93,17,832	7,73,766	-	1,00,91,598	54,13,758	16,08,085	-	70,21,843	30,69,755	39,04,074
Electrical Installations	97,82,479	-	-	97,82,479	79,31,545	2,57,487	-	81,89,032	15,93,447	18,50,934
Vehicles	42,24,367	4,95,484	(20,96,020)	26,23,831	31,99,943	1,98,198	(16,06,765)	17,91,376	8,32,455	10,24,424
Furniture & Fixtures	55,42,987	9,219	-	55,52,206	37,36,313	3,28,243	-	40,64,556	14,87,650	18,06,674
Office Equipments	17,21,072	6,440	-	17,27,512	10,54,714	93,303	-	11,48,017	5,79,495	6,66,358
<b>Total</b>	<b>27,46,17,814</b>	<b>55,99,555</b>	<b>(20,96,020)</b>	<b>27,81,21,349</b>	<b>23,13,27,787</b>	<b>63,44,851</b>	<b>(16,06,765)</b>	<b>23,60,65,873</b>	<b>4,20,55,476</b>	<b>4,32,90,027</b>
Previous Year	27,03,02,573	43,28,451	(13,210)	27,46,17,814	22,75,28,312	61,53,633	(23,54,158)	23,13,27,787	4,32,90,027	4,27,74,260

Notes: 95 years lease hold land on which buildings are constructed

## Schedules forming part of the Balance Sheet

(Figures in ₹)

		As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - F</b>			
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 ₹ 5,77,883 previous year ₹ 2,38,214)	2,06,75,597		1,64,89,103
Components (Including lying with third parties ₹ 5,94,452 previous year ₹ 7,26,862)	45,74,708		45,76,888
Raw Materials (Including lying with third parties ₹ 47,46,209 previous year ₹ 35,07,940)	6,12,38,831		4,33,43,230
Scrap (At estimated net realisable Value)	27,55,148		18,75,767
Work-In-Process	6,17,60,303		3,62,03,151
Finished Goods (At cost or market value which ever is lower)	22,85,54,597		15,40,92,177
		37,95,59,184	25,65,80,316
Sundry Debtors (Unsecured but considered goods)			
Over six months	5,38,534		3,18,796
Others	15,89,62,278		13,04,81,654
		15,95,00,812	13,08,00,450
Cash & Bank Balances			
Cash on Hand	3,57,874		6,33,031
Balances with scheduled banks	21,59,267		41,56,670
Margin Money	16,80,000		-
		41,97,141	47,89,701
C/F		54,32,57,137	39,21,70,467

*Schedules forming part of the Balance Sheet*

(Figures in ₹)

		As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - F - Continued...</b>			
	B/F	54,32,57,137	39,21,70,467
Loans & Advances (Unsecured but Considered Goods)			
Advances recoverable in cash or in kind or Advances recoverable in cash or in kind or for value to be received	1,88,72,871		1,44,03,522
Balance with Central Excise Authorities	1,46,382		2,90,822
Advances to Employees	25,622		91,967
Prepaid Expenses	14,45,109		12,14,678
Deposits	50,60,230		50,23,960
Outstanding Income	1,66,206		3,75,601
Advance Income Tax [Net]	93,96,383		90,32,735
Interest Accrued	2,29,583		1,27,647
M.V.A. T. Receivable	17,11,85,072		7,61,84,952
		20,65,27,458	10,67,45,884
		74,97,84,595	49,89,16,351
<b>SCHEDULE - G</b>			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors			
From: Micro And Small Enterprises (Ref. Note No 13 Schedule 9)	---		---
Other than Micro & Small Enterprises	28,35,35,537		11,84,13,092
Unclaimed Dividend	21,297		49,249
Other Liabilities	2,89,99,050		3,73,79,014
		31,25,55,884	15,58,41,355
Provisions			
For Income Tax		-	28,50,000
For Leave Encashment		85,13,316	76,31,871
For Group Gratuity		1,30,48,941	95,56,809
		33,41,18,141	17,58,80,035

## Schedules forming part of the Profit and Loss Account

(Figures in ₹)

	2010-11	2009-10
<b>SCHEDULE - 1</b>		
OTHER INCOME		
Interest (Gross) {TDS ₹ 84998}	2,96,369	8,30,206
Sale of Scrap	2,70,08,282	2,65,76,533
Less: Excise Duty	25,22,079	21,22,734
	2,44,86,203	2,44,53,799
Premium on DEPB Licences	9,92,630	6,26,621
Miscellaneous Income	29,168	2,60,543
Sundry Credit Balances Written Back	21,800	3,13,790
Profit on Sale of Assets ( Net )	46,745	-
Sales Tax / MVAT Refund		54,44,596
MVAT Receivable		91,58,336
	<u>2,58,72,915</u>	<u>4,10,87,891</u>
<b>SCHEDULE - 2</b>		
INCREASE/(DECREASE) IN STOCKS		
OPENING STOCK		
Finished Goods	15,40,92,177	13,33,64,434
Work-in-Process	3,62,03,151	4,08,61,293
Scrap	18,75,767	68,43,072
	<u>19,21,71,095</u>	<u>18,10,68,799</u>
LESS : CLOSING STOCK		
Finished Goods	22,85,54,597	15,40,92,177
Work-in-Process	6,17,60,303	3,62,03,151
Scrap	27,55,148	18,75,767
	<u>29,30,70,048</u>	<u>19,21,71,095</u>
	<u>10,08,98,953</u>	<u>1,11,02,296</u>
<b>SCHEDULE - 3</b>		
RAW MATERIALS CONSUMED		
Opening Stock	4,33,43,230	2,40,79,723
Add : Purchases	20,41,18,402	17,99,45,614
	<u>24,74,61,632</u>	<u>20,40,25,337</u>
Less : Closing Stock	6,12,38,831	4,33,43,230
	<u>18,62,22,801</u>	<u>16,06,82,107</u>

*Schedules forming part of the Profit and Loss Account*

(Figures in ₹)

	2010-11	2009-10
<b>SCHEDULE - 4</b>		
MANUFACTURING EXPENSES		
Consumption of Components, Other Stores & Spares	5,72,20,308	6,75,30,243
Power & Fuel	4,50,06,131	4,00,18,873
Water Charges	6,65,816	6,51,548
Carriage Inward	1,46,23,831	97,07,523
Other Manufacturing Charges	3,62,08,680	2,16,12,167
Repairs to Machinery	12,67,505	4,48,934
Repairs to Building	2,59,910	7,26,521
Entry Tax (Goa)	-	11,68,066
	<u>15,52,52,181</u>	<u>14,18,63,875</u>
<b>SCHEDULE - 5</b>		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Wages, Salaries & Bonus	14,38,65,238	12,59,71,603
Directors Remuneration	29,04,638	21,88,988
Provident Fund, Pension Fund & ESI Contributions	1,29,32,476	88,67,529
Welfare Expenses	28,78,963	28,03,423
Employees Group Gratuity	63,99,475	24,98,056
Leave Encashment	8,81,445	10,05,203
	<u>16,98,62,235</u>	<u>14,33,34,802</u>
<b>SCHEDULE - 6</b>		
OTHER EXPENSES		
Rent	16,18,348	13,86,372
Rates & Taxes	7,12,063	1,63,242
Insurance	12,11,456	16,27,967
AUDITORS' REMUNERATION		
As Auditors	1,00,000	1,00,000
Company Law Matters	15,000	15,000
Tax Audit & Other Capacity	67,500	67,500
Out of Pocket Expenses	55,470	26,076
	<u>2,37,970</u>	<u>2,08,576</u>
Directors' Sitting Fees	1,79,000	1,63,000
Professional & Legal Expenses	15,73,502	12,14,208
Travelling & Conveyance	32,24,578	26,62,648
Car Expenses	7,06,827	7,09,837
Repairs to Others	2,69,647	2,53,397
Bank Charges	31,13,872	9,18,099
Miscellaneous Expenses (Postage Telegram, Telephone, Printing & Stationery, etc.)	77,23,778	1,05,34,879
Bad Debts Written Off	586	3,04,418
	<u>2,05,71,627</u>	<u>2,01,46,643</u>

## Schedules forming part of the Profit and Loss Account

(Figures in ₹)

	2010-11	2009-10
<b>SCHEDULE - 7</b>		
INTEREST		
Bank	1,14,74,121	33,48,254
Others	0	41,77,547
	<u>1,14,74,121</u>	<u>75,25,801</u>
<b>SCHEDULE - 8</b>		
DISTRIBUTION & SELLING EXPENSES		
Forwarding Expenses	2,28,02,061	2,10,04,754
Advertising, Sales Promotion Expenses & Incentive	4,39,71,167	3,26,78,656
Selling Commission	13,64,92,057	10,76,86,244
	<u>20,32,65,285</u>	<u>16,13,69,654</u>

## SCHEDULE - 9

## NOTES ON THE BALANCE SHEET AND PROFIT &amp; 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 making provision for diminution in the value, 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 are 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) 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.

## (l) Lease accounting

Operating Leases : Leasing of assets whereby the lessor essentially remains the owner of the asset classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively.

Any compensation, accordingly to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

2. Contingent Liabilities not provided for in respect of
  - [a] Estimated amount of contract remaining to be executed on capital account is ₹ Nil [₹ Nil].
  - [b] Claims against the Company not acknowledged as Debts are ₹#5,41,795 [₹ 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 ₹#3,44,851 and ₹ 58,31,473 respectively. The transfer of ₹#5,13,378 from Fixed Assets Revaluation Reserve to Profit & Loss Account represents difference between depreciation on revalued figures and that on original cost.
4. Segment Reporting  
The Company is exclusively in the hand tools business segment.
5. 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. Maheshkumar G. Nathani (Executive Director)
- c) Details of transactions relating to Key Management Personnel as referred to in item (b) above  
Remuneration : ₹ 29.05 lakhs (Refer Note No.9)

6. Earning per share	March 31, 2011	March 31, 2010
1) Net Profit as per Profit & Loss Account available for equity shareholders	₹ 580.44 lakhs	₹ 583.49 lakhs
2) No. of equity shares Basic/Diluted	3035750	3035750
3) Earning per share Basic/Diluted	₹ 19.12	₹ 19.22

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

	As on 31-03-2011	As on 31-03-2010
(₹ in lakhs)		
Deferred Tax Assets :		
Depreciation	10.68	2.85
Expenditure u/s. 43B of the Income Tax Act, 1961	7.20	3.93
Net deferred tax Asset/(Liability)	17.88	6.78

8. 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.

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

	<i>(Figures in ₹)</i>	
	<b>2010-2011</b>	<b>2009-2010</b>
Salaries & Allowances	29,04,638	22,61,815
Perquisites	24,018	Nil
	<u>29,28,656</u>	<u>22,61,815</u>

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

10. Income tax assessment is completed up to assessment year 2008-2009. 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.
11. Some of the Debit & Credit Balances on the Debtors' account and Loans and Advances remain unconfirmed.
12. 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.
13. The Company has taken certain office / factory premises on operating lease basis. Lease payments in respect of such leases recognised in profit & loss account ₹ 16.18 (previous year ₹ 13.86 lakhs)
14. Particulars of Unhedged foreign currency exposure as at Balance Sheet date

Particulars of Derivative	2010-2011		2009-2010	
	Amount (₹)	Foreign Currency (US \$)	Amount (₹)	Foreign Currency (US \$)
Export Debtors	44,80,976	1,00,786.69	40,35,836	96,782.63

15. Retirement Benefit Plans

The Company adopted the Accounting Standard-15 "Employees Benefits" (AS-15) effective from April 1<sup>st</sup>, 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 31<sup>st</sup> 2011.

( ₹ in lakhs)

Sr. No.	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
<i>I Change in benefit obligation;</i>		
Projected benefit obligation, beginning of the year (April 1, 2010)		
Service Cost	494.25	487.18
Interest Cost	32.54	20.22
Actuarial (gain)/loss	39.54	34.89
Benefit paid	26.19	4.36
	(59.68)	(52.40)
Projected benefit obligation, end of the year	532.84	494.25
<i>II Change in plan assets :</i>		
Fair value of plan assets, beginning of the year (April 1, 2010)	398.68	394.51
Expected return on plan assets	31.83	31.23
Employer's contributions	29.07	22.08
Benefit paid	(59.68)	(52.40)
Actuarial gain	2.44	3.26
Fair value of plan assets at the year end	402.34	398.68
Excess of (obligation over plan assets)/plan assets over obligation	23.75	1.10
<i>III Net gratuity and other cost for the year ended March 31<sup>st</sup>, 2011</i>		
Service cost	32.54	20.22
Interest on defined benefit obligation	39.54	34.89
Expected return on plan assets	(31.83)	(31.23)
Net actuarial gain recognized in the year	23.75	1.10
Net gratuity and other costs	63.99	24.98
<i>IV Category of assets as at March 31<sup>st</sup>, 2011 :</i>		
Insurer Managed Funds	402.34	398.68
Others	-	-
Total	402.34	398.68
<i>V Assumptions used in accounting for the gratuity plan :</i>		
	%	%
Discount rate	8.00	8.00
Salary escalation rate	4.00	6.00
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.

16. Previous year's figures have been recast or regrouped wherever necessary.
17. 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 &amp; Closing Stock, Production and Sales:

	M. Tons		Value in ₹	
[a] FORGED HAND TOOLS				
1. Licensed Capacity	2040	[2040]		
2. Installed Capacity (As certified by the Management)	1750	[1750]		
3. Opening Stock	65	[115]	1,54,72,699	[2,22,62,781]
4. Actual Production	1890	[1747]		
5. Sales	1919	[1797]	58,35,64,620	[55,97,02,356]
6. Closing Stock	36	[65]	85,33,152	[1,54,72,699]
[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	[0]	-	-
5. Sales	0	[0]	Nil	[Nil]
6. Closing Stock	0	[0]	Nil	[Nil]
[c] TRADED HAND TOOLS				
1. Opening Stock			13,86,19,477	[11,11,01,653]
2. Purchases			1,10,96,71,025	[77,11,85,016]
3. Sales			1,23,81,48,416	[88,87,80,019]
4. Closing Stock			22,00,21,445	[13,86,19,477]
ii) Raw material Consumed :				
Steel	3292	[3286]	14,46,07,867	[12,00,80,387]
Others	211	[191]	3,30,28,540	[3,30,01,689]
Molding Charges on C A Handles and Sleeves			85,86,394	[76,00,031]
iii) Value of consumption of Raw Materials, Spare Parts & Components				
	Value in ₹		Percentage	
Imported	Nil	[Nil]	Nil	[Nil]
Indigenous	24,34,43,109	[22,82,12,350]	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	2,03,64,605	[Nil]		

v) Expenditure in Foreign Currency		
1. Travel	4,00,722	[6,83,559]
2. Others	78,49,049	[3,97,558]
vi) Remittance in Foreign Currency	Nil	[Nil]
vii) Earnings in Foreign Currency		
FOB Value of exports	2,47,38,193	[2,39,01,420]

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*

**KAUSHAL MEHTA**  
*Partner*  
Membership No.111749  
Mumbai, 13th August, 2011

**V. S. DATEY**  
*Company Secretary*  
Mumbai,  
13th August, 2011

**D. P. TAPARIA**  
*Director*

**Cash Flow Statement**

(₹ in lakhs)

		2010-11	2009-10
<b>A Cash Flow from Operating Activities</b>			
Net Profit before tax and extra ordinary items		863.34	886.64
Adjustment for :			
Depreciation	58.31		59.00
(Profit) / loss on Sale Of Asset	(0.47)		-
Interest ( Net)	111.78		66.96
		169.62	125.96
Operating Profit Before Working Capital Changes		1,032.96	1,012.60
Adjustment for :			
Trade & Other Receivables	(1,281.96)		(506.20)
Inventories	(1,229.79)		(336.41)
Trade Payables	1,610.89		539.89
		(900.86)	(302.72)
Cash Generated From Operations		132.10	709.88
Interest Paid		(114.74)	(75.26)
Direct Tax Paid		(325.36)	(316.95)
Cash flow Before Extraordinary Items		(308.00)	317.67
Extra Ordinary Items		-	-
Net Cash From Operating Activities After Extraordinary Items		(308.00)	317.67
<b>B Cash Flow From Investing Activities</b>			
Purchases of Fixed Assets		(55.99)	(43.28)
Sale Of Fixed Assets		5.36	-
Interest Received		2.96	8.30
Net Cash used in Investing Activities		(47.67)	(34.98)

(₹ in lakhs)

		2010-11	2009-10
<b>C Cash Flow From Financing Activities</b>			
Proceeds From Long term & Short term Borrowings	349.74		(265.05)
Net Cash Used in Financing Activities		349.74	(265.05)
Net Increase in Cash & Cash Equivalents		(5.93)	17.64
Cash & Cash Equivalent As on 1 <sup>st</sup> April, 2010		47.90	30.26
Cash & Cash Equivalent As on 31 <sup>st</sup> March, 2011		41.97	47.90

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, 2011. 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, 2011 to the members of the Company.

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

**Kaushal Mehta**  
*Partner*  
(Membership no. 111749)

Mumbai,  
13<sup>th</sup> August, 2011

## *Additional Information as required under Part -IV of Schedule VI to the Companies Act, 1956*

### Balance Sheet Abstract and Company's General Business Profile

<b>I. Registration Details</b>		
Registration No.....		13392
State Code.....		11
Balance Sheet Date.....		31.03.2011
<b>II. Capital Raised during the Year</b>		
Public Issue.....		-
Rights Issue.....		-
Bonus Issue.....		-
Private Placement.....		-
<b>III. Position of Mobilisation and Development of Funds</b>		<i>(Figures in ₹)</i>
Total Liabilities.....		45,95,09,930
Total Assets.....		45,95,09,930
Sources of Funds :		
Paid-up Capital .....		3,03,57,500
Reserve & Surplus.....		27,22,22,499
Secured Loans.....		14,28,17,231
Unsecured Loans.....		1,41,12,700
Application of Funds :		
Net Fixed Assets.....		4,20,55,476
Investments. ....		-
Net current Assets.....		41,56,66,454
Misc. Expenditure .....		-
Accumulated Losses.....		-
<b>IV. Performance of Company</b>		<i>(Figures in ₹)</i>
Turnover.....		1,94,84,84,904
Total Expenditure.....		1,86,21,50,747
Profit/(Loss) Before Tax.....		8,63,34,157
Profit/(Loss) After Tax.....		5,80,44,157
Earning Per Share .....		19.12
Dividend Rate.....		-
<b>V. Generic Names of Three Principal Products/ Services of Company</b>		
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 45TH ANNUAL GENERAL MEETING

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

I hereby record my presence at the 45<sup>th</sup> Annual General Meeting of the Shareholders of the Company at Hotel Emerald Park, Sharanpur Link Road, Nashik - 422 002 on Friday, the 30th day of September, 2011 at 1.00 p.m.

\_\_\_\_\_  
Member's/Proxy's Signature

#### NOTES:

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

### PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of Taparia Tools Ltd., hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to attend and vote for me/us and on my/our behalf at the 45th Annual General Meeting of the Company, to be held on Friday, the 30th September, 2011 or at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ Day of September, 2011

Signed by the said : \_\_\_\_\_

Affix ₹ 1  
Revenue  
Stamp

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.



## TAPARIA TOOLS LTD.

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

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

### RE: E - Corporate Governance: Go Paperless

Dear Shareholder,

As you may be aware, the Ministry of Corporate Affairs, as a part of the Green Initiative in Corporate Governance, vide its Circular No.21/2011 & 18/2011 dated 21.04.2011 and 29.04.2011, has allowed paperless compliance by Companies, which now can send various notices / documents, such as Notice of General Meetings, Annual Report, etc., to its Shareholders through electronic mode at their e-mail address registered with the Company.

Your Company welcomes the spirit of this green initiative, which will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This will also ensure prompt receipt of communication by Shareholders and avoid their loss / misplacement in postal transit. In this backdrop, we wish to intimate / request you to send the appended registration form, duly filled-in, at the address indicated therein. The Shareholders can also e-mail a scanned copy to [accounts@tapariatools.com](mailto:accounts@tapariatools.com)

As a responsible citizen, we invite you to be a part of the "Green Initiative".

Best Regards.

**V. S. Datey**  
Company Secretary

---

### REGISTRATION FORM FOR E-GOVERNANCE

To,  
TAPARIA TOOLS LIMITED  
52 & 52B, MIDC Area,  
Satpur,  
Nashik – 422 007

RE: - E - Corporate Governance

Regd.Folio No.	
Name of 1st Registered Holder	
Name of Joint Holder/s	1.
	2.
E-mail ID to be registered	

I/We, Shareholders of TAPARIA TOOLS LIMITED, hereby agree to receive all communications from the Company by way of e-mail. Please register my / our e-mail ID in your records for sending communications through e-mail.

Place :

Date :

---

Signature  
(First Holder)