

## *Contents*

<b>2</b>	Company Information
<b>3</b>	Notice of the Annual General Meeting
<b>11</b>	Financial Highlights
<b>12</b>	Directors' Report
<b>32</b>	Management Discussion and Analysis
<b>35</b>	Report on Corporate Governance
<b>48</b>	Auditors' Report
<b>54</b>	Balance Sheet
<b>55</b>	Statement of Profit and Loss
<b>56</b>	Notes on Financial Statements
<b>69</b>	Cash Flow Statement

## Company Information

### BOARD OF DIRECTORS

Shri H.N. Taparia  
Chairman and Managing Director

Shri J.K. Taparia  
Non-Executive Director

Shri D.P. Taparia  
Non-Executive Director

Shri M.P. Taparia  
Non-Executive Director

Shri P.N. Shah  
Independent Director

Shri B.B. Ladda  
Independent Director

Shri G.S. Manasawala  
Independent Director

Shri Rajeev J. Mundra  
Independent Director

Shri Shyam Malpani  
Independent Director  
(Upto 31<sup>st</sup> July, 2016)

Miss Bhavna Shamdasani  
Independent Director

Shri Virendraa Bangur  
Non-Executive Director

Shri Sivaramakrishnan  
Director – Operations

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

**Chief Financial Officer**  
Shri S. R. Bagad

### Board Committees

#### Audit Committee

Shri G.S. Manasawala (*Chairman*)  
Shri P.N. Shah  
Shri B.B. Ladda  
Shri Rajeev J. Mundra  
Shri Shyam Malpani  
(Upto 31<sup>st</sup> July, 2016)

#### Nomination and Remuneration Committee

Shri G.S. Manasawala (*Chairman*)  
Shri P.N. Shah  
Shri B.B. Ladda  
Shri Rajeev J. Mundra  
Shri Shyam Malpani  
(Upto 31<sup>st</sup> July, 2016)

#### Shareholders Grievance Committee

Shri D.P. Taparia (*Chairman*)  
Shri H.N. Taparia  
Shri Sivaramakrishnan

#### Corporate Social Responsibility Committee

Shri H.N. Taparia (*Chairman*)  
Shri B.B. Ladda  
Shri D.P. Taparia

#### Risk Management Committee

Shri G.S. Manasawala (*Chairman*)  
Shri B.B. Ladda  
Shri Rajeev J. Mundra  
Shri Shyam Malpani  
(Upto 31<sup>st</sup> July, 2016)  
Shri Sivaramakrishnan

### Bankers

HDFC Bank Ltd.  
ICICI Bank Ltd.  
Central Bank of India

### Auditors

M/s. Batliboi and Purohit, Chartered Accountants, Mumbai

### Secretarial Auditor

CS Sagar Khandelwal, Nashik

### Registrar & Transfer Agents

Universal Capital Securities Pvt. Ltd.  
Mumbai

### Corporate Office

423/24, (A-2), Shah and Nahar,  
Lower Parel (W), Mumbai-400 013,  
Maharashtra  
Tele.: (91) (22) 24938646-50,  
Fax : (91) (22) 24953230  
E-Mail: hntaparia@tapariatools.com

### Plants

1. 52 & 52B, MIDC Area, Satpur,  
Nashik – 422 007 (Maharashtra)  
2. Plot No.L-29, Cuncolim Industrial  
Estate, Cuncolim - 403 703, (Goa)

### Registered Office

52 & 52B, MIDC Area, Trimbak  
Road, Satpur, Nashik – 422 007,  
Maharashtra  
Tele. :(0253) 2350317/318/418,  
Fax : (0253) 2350740  
CIN: L99999MH1965PLC013392  
E-Mail: nashik@tapariatools.com  
Web Site: www.tapariatools.com

## Notice

NOTICE is hereby given that Fiftieth Annual General Meeting of TAPARIA TOOLS LIMITED will be held at Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002 on Thursday, the 29<sup>th</sup> day of September, 2016 at 9.30 a.m. to transact the following business:

### AS ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. P. Taparia (DIN 00126971), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED that** pursuant to the provisions of Section 139 and Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/S. BATLIBOI & PUROHIT, Chartered Accountants, Mumbai (Registration No.101048W), be and are hereby appointed as the Statutory Auditors of the Company to hold Office as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting including adjourned Annual General Meeting, if any, of the Company at a remuneration of Rs. 3,00,000/- (Rupees Three lakhs only) plus Service Tax as applicable, and reimbursement of actual out-of-pocket expenses as may be incurred for the purpose of Audit".

### AS SPECIAL BUSINESS

4. Enhance the Borrowing powers of Board from Rs. 80 crores to Rs.200 crores.

To consider and, if thought fit, to pass the following resolutions as Special Resolution:

**"RESOLVED THAT** in supersession of the earlier resolutions passed under Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956 at the Extraordinary General Meeting held on 08/04/2011, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) under provisions of Section 180(1)(c) of the Companies Act, 2013 as amended from time to time and Articles of Association of the Company for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of other instruments, and either from the Company's Bankers or from any other Banks/Financial Institutions or any other lending institutions or bodies corporate or other persons on such terms, conditions and covenants as are stipulated and as may be considered appropriate by the Board of Directors, may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs.200 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all documents/deeds/agreements as may be required, and generally to take all other necessary steps and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, and to settle any question, difficulty or doubt that may arise in regard to the creation of the aforesaid mortgages, charges, or otherwise considered by the Board of Directors to be in the best interest of Company"

**"RESOLVED FURTHER THAT** the actions taken by the company during the period 1<sup>st</sup> April, 2013 till passing of this resolution be and are hereby ratified."

5. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:

**"RESOLVED THAT** in supersession of the earlier resolutions passed under Section 293(1)(a) of the Companies Act, 1956 for creation of charge, mortgage and hypothecation for the borrowings made under Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) in terms of Section 180(1)(a) of the Companies Act, 2013 as amended from time to time to create such charge, mortgage and hypothecation in addition to the existing charge, mortgage and hypothecation created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit to secure the borrowings of the Company together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment or on redemption, remuneration of Agent(s)/ Trustee(s) and all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreements/debenture trust deeds or any other document entered into/to be between the Company and the Lender(s) Agent(s) Trustee(s) in respect of the said loans/borrowings/debentures either by way of mortgage (including equitable mortgage), hypothecation, pledge, and/or lien in addition to the mortgages/charges created/ to be created by Company on such terms and conditions, in such form and manner and with such ranking for priority and at such times as the Board of Directors may determine, on all or any of the properties of the Company including land, building, plant, machinery, other fixed assets, stock in trade, book debts, bank deposits, shares, securities and any other assets as held presently and/or to be acquired in future and by giving guarantees, indemnities, undertakings for and on behalf of the Company.

Provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs. 200 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all documents/deeds/agreements as may be required, and generally to take all other necessary steps and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, and to settle any question, difficulty or doubt that may arise in regard to the creation of the aforesaid mortgages, charges, or otherwise considered by the Board of Directors to be in the best interest of Company"

**"RESOLVED FURTHER THAT** the actions taken by the company during the period 1<sup>st</sup> April, 2013 till passing of this resolution be and are hereby ratified."

By order of the Board  
For TAPARIA TOOLS LTD.

**V. S. Datey**  
Company Secretary

Mumbai, 13<sup>th</sup> August, 2016

**Registered office:**

52 and 52B, MIDC Area,  
Trimbak Road, Satpur,  
Nashik – 422 007 (Maharashtra)  
CIN: L99999MH1965PLC013392  
E-mail: secretaril@tapariatools.com

## Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.
- 2) The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Annexure II. The Company will also send communication relating to remote e-voting which *inter alia* would contain details about User ID and password along with a copy of this Notice to the members, separately.
- 5) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 6) Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment/ re-appointment/ continuation at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/ reappointment.
- 7) A Statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 8) Members/Proxies are requested to bring their copy of the Annual Report and the Attendance Slip duly filled in with them at the Annual General Meeting.
- 9) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 10) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- 11) The Company has notified closure of Register of Members and Share Transfer Books from Friday, September 23<sup>rd</sup>, 2016 to Thursday, September 29<sup>th</sup>, 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- 12) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA.
- 13) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2007-08 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29-09-2015 (date of last Annual General Meeting) on the website of the Company ([www.tapariatools.com](http://www.tapariatools.com)), as also on the website of the Ministry of Corporate Affairs.
- 14) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number

(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.

- 15) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.tapariatools.com](http://www.tapariatools.com) under the section 'Investor Relations'.
- 16) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
- 17) Non-Resident Indian Members are requested to inform RTA, immediately of
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 18) Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

## EXPLANATORY STATEMENT

*Under Section 102 Of The Companies Act, 2013*

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

### ITEM No.4 and 5

The shareholders in Extraordinary General Meeting held on 8<sup>th</sup> November, 2011 had enhanced the borrowing power of the Board of Directors to an amount not exceeding Rs. 80 Crores, in the aggregate at any point of time.

To meet the fund requirements of the company, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities. It is, therefore, recommended to enhance the borrowing limits of the Company upto Rs. 200 Crores (Rupees Two Hundred Crores Only).

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. It is, therefore, proposed to seek the approval of the shareholders for enhancing the borrowing limits upto Rs. 200 crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) under section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 by way of a Special Resolution.

It is proposed to pass a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, *inter alia*, provides that the Board of Directors of a public company shall not without the consent of members sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where a company owns more than one undertaking, the whole or substantially the whole of any such undertaking. Since the creation of a mortgage and/or charge by the company on its movable and/or immovable assets in favour of the lender(s) may be regarded as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is desirable by way of abundant caution to pass Special resolution under Section 180(1)(a) of the Companies Act, 2013. Accordingly, the Directors recommend the resolution set out in this item of the accompanying notice for your approval.

The Directors recommend the Special Resolutions pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

By order of the Board  
For TAPARIA TOOLS LTD.

**V. S. Datey**  
Company Secretary

Mumbai, 13<sup>th</sup> August, 2016

**Registered office:**

52 and 52B, MIDC Area,  
Trimbak Road, Satpur,  
Nashik – 422 007 (Maharashtra)  
CIN: L99999MH1965PLC013392  
E-mail: secretaril@tapariatools.com

*Annexure I***Details of the directors seeking Appointment / Re-appointment in the forthcoming Annual General Meeting**

[In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

<b>Name of the Director</b>	<b>Shri M. P. Taparia (DIN:00126971)</b>
Date of Birth	10.10.1947
Date of Appointment/Re-appointment	24.09.2014
Relationship with Directors	Relative of Shri J.K. Taparia Relative of Shri D.P. Taparia Relative of Shri H.N. Taparia
Expertise in Specific functional areas	Sales Management
Educational Qualifications	B. Com.
Chairman/Member of the Committee of the Board of directors	Nil
Number of Shares held in the Company	143565

---



## *Annexure II*

**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on 26<sup>th</sup> September 2016 at 9.00 a.m. and ends on 28<sup>th</sup> September 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**xx. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## *Financial Highlights*

### SHAREHOLDERS' FUND

1967-1968 : ₹ 39.80 Lakhs

2015-2016 : ₹ 8108.53 Lakhs

(₹ in Lakhs)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>FOR THE YEAR</b>					
1. Gross Revenue	22419.25	24195.98	26737.74	29755.47	33810.72
2. Profit before Tax	1126.85	1381.02	1853.31	1510.54	1933.46
3. Profit after Tax	727.42	957.54	1191.49	972.98	1265.20
4. Retained Earnings	2357.78	3217.32	4289.66	5150.34	6287.15
5. Cash Generation	790.72	1024.19	1276.59	885.15	1220.73
6. Foreign Exchange Earnings	278.18	263.87	350.05	225.16	308.97

<b>AT YEAR END</b>					
7. Gross Fixed Assets	2847.59	3044.63	3038.53	3042.22	3116.87
8. Share capital	303.58	303.58	303.58	303.58	303.58
9. Reserves and Surplus	3444.02	4395.94	5581.81	6539.75	7804.96
10. Net Worth	3747.60	4699.52	5885.38	6843.33	8108.53
11. Borrowings	2860.33	2616.77	2592.32	2669.44	3022.40
12. Capital Employed	6607.93	7316.29	8477.70	9512.77	11130.93

<b>PER SHARE (in Rs.)</b>					
13. Net Worth per Equity Share	123.45	154.80	193.85	225.41	267.08
14. Earnings per Share	23.96	31.54	39.25	32.05	41.68

<b>RATIO</b>					
15. Debt : Equity Ratio (Debt : Equity Share Capital)	9.42	8.62	8.53	8.79	9.96

## Directors' Report

To the Members of Taparia Tools Limited,

Your Directors have pleasure in presenting the 50<sup>th</sup> Annual Report on the operations of the Company together with the Audited Financial Statements for the year ended March 31, 2016.

### FINANCIAL PERFORMANCE

	(₹ in Lakhs)	
	2015-2016	2014-2015
Revenue (Net)	33810.72	29755.47
<b>Profit before interest and depreciation</b>	2203.59	1763.97
<i>Less : Interest</i>	225.66	165.60
<b>Gross Profit</b>	1977.93	1422.71
<i>Less : Depreciation</i>	44.47	(87.83)
<b>Profit for the year before tax</b>	1933.46	1510.54
<i>Less : Provision for taxation</i>		
Current Tax	687.27	502.49
Deferred Tax	(19.01)	35.06
Profit after tax	1265.20	972.99
<i>Add : Surplus brought forward from previous year</i>	5150.34	4289.66
<b>Profit available for Appropriations</b>	6415.54	5262.64
<b>Excess Depreciation transferred</b>	-	(15.04)
<i>Less : General Reserve</i>	(128.40)	(97.26)
<b>Surplus carried to Balance Sheet</b>	6287.14	5150.34

### DIVIDEND

The Directors have not recommended any dividend for the year under review. The Company has retained the funds for expansion of the activities of the Company by introducing additional product range and purchase of Machinery & Equipments etc.

### REVIEW OF OPERATIONS

The Indian economy has certainly performed creditably as compared to most developed and emerging markets of the world in the past year. The macroeconomic condition is stable; consumer price inflation is well under control and the wholesale price inflation is in negative territory;

there have been four interest rate cuts by the Reserve Bank of India; and thanks to historically low prices of crude oil, minerals and metals, input costs have reduced with the balance of payment situation being better than it has been in the last five years. The latest estimates of the Central Statistical Organisation suggest that growth of India's Gross Value Added will not only be higher than the previous year's but also the best among large emerging economies.

The Company's working during the year is satisfactory. The Company's total revenue (Net of excise duty) were Rs.33,810.72 Lakhs that represent an increase of 13.63% over the sales of Rs.29,755.47 Lakhs in the previous year. Profit earned after tax is Rs.1,265.20 Lakhs in the current year representing an increase of 30.03% against Rs. 972.99 Lakhs in the previous year.

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

A report on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

### LISTING INFORMATION

The equity shares of the company are listed on the Bombay Stock Exchange. The listing fees for the year 2016-2017 have been paid to BSE.

### PUBLIC DEPOSITS

During the financial year 2015-16, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 ("the Act") read together with the Companies (Acceptance of Deposits) Rules, 2014.

### LOANS, GUARANTEES AND INVESTMENT

During the financial year 2015-16, the Company has not given any guarantee for loans taken by others from banks or other financial institutions. The Company has not taken any Term Loan.

### HUMAN RESOURCE DEVELOPMENT

The motivated and engaging workforce which has served the company for more than four decades lies at the very

foundation of the company's major achievements and shall well continue for the years to come.

The Company has been taking honest efforts in training of individuals, providing them new and earnest opportunities in brushing developing and polishing skills that are beneficial for the employees as well as the Organisation as a whole.

The Company's focus on retention through employee engagement initiatives and providing a holistic environment, gathers opportunities for employees to realize their potential. Company's performance driven culture helps and motivates employees to excel in their respective areas and progress within the organization.

The company has always recognized talent and has judiciously followed the principle of rewarding performance.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri Shyam Malpani, Independent Director of the Company has resigned from the Board of Directors of the Company with effect from 1st August, 2016. The Board wishes to place on record its appreciation for the valuable contribution made by him during his tenure as a Director of the Company.

Shri M.P. Taparia Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief profile of Shri M.P. Taparia is given in the Annexure to the Notice.

#### **INDEPENDENT DIRECTORS' DECLARATION**

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(3C) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- 1) in the preparation of the annual accounts for the year ended March 31<sup>st</sup> 2016, 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 same period;

- 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a 'going concern' basis;
- 5) the Directors have laid down internal financial controls in the company that are adequate and operating effectively.
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

#### **BOARD EVALUATION**

The board of directors has carried out an evaluation of its own performance, Board committees and individual directors. Performance evaluation has been carried out as per the Nomination & Remuneration Policy.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

Further, the performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

#### **RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. Also there were no materially significant Related Party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. Thus disclosure in Form AOC-2 is not required.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has in place Internal Control Systems, commensurate with the size and complexity of its operations

to ensure proper recording of financial and operational information compliance of various internal controls and other regulatory and statutory compliance. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

### **PARTICULARS OF EMPLOYEES**

The Information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014 in respect of employees of the Company is annexed herewith as Annexure - 'A'.

### **MEETINGS OF THE BOARD**

Four meetings of the Board of Directors were held during the year. For further details of the meetings, please refer to the Corporate Governance Report, which forms part of this report.

### **AUDIT COMMITTEE**

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report.

There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

### **AUDITORS AND AUDITORS' REPORT**

#### **Statutory Auditors**

The Company's auditors M/s. Batliboi and Purohit, (Regd. No.101048W) Chartered Accountants, Mumbai who retire at the ensuing Annual General Meeting, have confirmed their eligibility and willingness to accept office, if re-appointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

#### **Auditors' report**

There are no qualifications, reservations or adverse remarks made by M/s. Batliboi and Purohit, Statutory Auditors in their report for the Financial Year ended March 31, 2016.

The observations and comments given in the report of the Auditors read together with notes to accounts are self-explanatory and hence do not call for any further explanation or comments under Section 134(f)(i) of the Companies Act, 2013.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies

Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Sagar Khandelwal, Practising Company Secretary, to undertake the Secretarial Audit of the Company.

#### **Secretarial Auditors' Report**

There is an observation regarding the dematerialisation of shares of Promoter and Promoter Group in the Secretarial Audit Report. The Company is endeavoring to complete the dematerialisation of shares of Promoter and Promoter Group. Till date, after the initiating the process of dematerialisation of shares, the Promoter and Promoter Group have already demated 72.95% of their shareholding.

The Report of the Secretarial Audit in Form MR 3 for the Financial Year ended March 31, 2016 is annexed as Annexure - 'D' to the Report.

#### **Internal Financial Controls Audit**

Details of Internal Financial Control and its adequacy are included as an Annexure to the Independent Auditors' Report.

### **NOMINATION AND REMUNERATION COMMITTEE**

The composition, key objectives etc. of the Nomination and Remuneration Committee is provided in Corporate Governance Report which forms part of this Annual Report.

### **RISK MANAGEMENT**

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of the Company has constituted a CSR Committee. CSR Committee of the Board has developed a CSR Policy which is enclosed as part of this report Annexure – 'B'. Additionally, the CSR Policy has been uploaded on the website of the Company at [www.tapariatools.com](http://www.tapariatools.com).

### **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section 134(3)



(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the Annexure – 'C' and forms part of this Report.

### **VIGIL MECHANISM**

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.tapariatools.com](http://www.tapariatools.com)

### **DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)**

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under, the Company formulated an internal policy on Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) during the year under review.

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. A Sexual Harassment Committee has been constituted in accordance with the Act.

The Sexual Harassment Committee is responsible for redressal of complaints related to sexual harassment of women at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the year under review there were no complaints referred to the Sexual Harassment Committee.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return of the company is annexed herewith as Annexure – 'E' to this report.

### **INTERIM ORDER BY SEBI**

The Company has received an Interim Order from SEBI on 20/05/2015 for the Non-Compliance of the Minimum

Public Shareholding. The Audit Committee and Board of Directors are informed about the Order. Company has been legally advised that there is no violation of provisions relating to the promoters shareholding. The Company has replied to the order vide letter dated 14th October, 2015. Further proceedings are pending.

### **OTHER DISCLOSURES**

- There were no material changes and commitments affecting the financial position of your Company between end of the financial year and the date of this report.
- Your Company has not issued any equity shares or shares with differential voting rights during the financial year.
- Your Company did not issue any sweat equity shares, debentures or bonds during the year.

### **ACKNOWLEDGEMENT**

Your Directors express their sincere appreciation for the cooperation and assistance of Central and State Government authorities, bankers, customers, suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors

**H.N. Taparia**

Chairman &  
Managing Director

Mumbai, 13th August 2016

## Annexure 'A' To Directors' Report

Information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name	Ratio
Shri H.N. Taparia	12.87 times
Shri Sivaramakrishnan	6.19 times

Note: Median remuneration of the Company for all its employees is Rs. 3,26,442/- p.a. for the financial year 2015-16.

- B. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:

Name	Percentage
Shri H.N. Taparia (Chairman and Managing Director)	Nil
Shri Sivaramakrishnan (Director - Operations)	39.78%
Shri S.R. Bagad (Chief Financial Officer)	20.50%
Shri V.S. Datey (Company Secretary)	30.76%

- C. Percentage increase in the median remuneration of all employees in the financial year 2015-16:

	2015-16	2014-15	Increase (%)
Median remuneration of all employees per annum	Rs. 3,26,442/-	Rs. 3,21,526/-	0.77%

- D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2016: 413 Nos.

- E. Explanation on the relationship between average increase in remuneration and Company Performance:

The Income from operations of the company increased from a level of Rs. 29,755.47 Lakhs in 2014-15 to Rs.33,810 Lakhs in 2015-16 representing a growth of 13.63%. The increase in remuneration is based on the Company's performance and also includes various other factors like individual performance, experience, skill sets, academic background, industry trend, economic situation and future growth prospects etc. All these factors are considered appropriately for revision of remuneration.

- F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:

The Company's revenue has shown a growth of 13.63% however, no increase in remuneration has been given to Chairman and Managing Director. There has been an increase in the remuneration payable to Director-Operations, CFO and CS.

- G. Details of Share price and market capitalization:

	Market Price Per Share (₹)	Earning Per Share (₹)	P/E Ratio	Market Capitalization (₹ in Lakhs)	Percent Change
March 2016	55.75	41.68	1.34	1739	42.72%
March 2015	100	32.05	3.12	3036	66.63%



- H. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:

The Company during the year under review, has made an increase in the remuneration of the Key Managerial Personnel.

- I. Key parameters for the variable component of remuneration paid to the Directors:

No variable remuneration was paid to any Directors during the year.

- J. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company

- K. Affirmation:

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

---

## Annexure 'B' To Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company has in place Corporate Social Responsibility Committee (CSR) pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy ) Rules, 2014 the details of which are provided herein below :

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and the various notifications/circulars issued by the Ministry of Corporate Affairs, the Company has contributed an amount of Rs. 28.41 lakhs towards the corpus of various trusts (which are the implementing agency engaged in activities specified in Schedule VII of the Companies Act, 2013). The Company has also adopted a CSR Policy in compliance with the aforesaid provisions and the same is placed on the Company's website at [www.tapariatools.com](http://www.tapariatools.com)
2. Composition of CSR Committee
  - a) Shri H.N. Taparia – Chairman
  - b) Shri B.B. Ladda – Member
  - c) Shri D.P. Taparia – Member
3. Average net profit of the Company for last three financial years: Rs.1,581.5 Lakhs
4. Prescribed CSR Expenditure: The Company is required to spend two percent of Rs. 1,581.5 Lakhs i.e. Rs.31.63 Lakhs towards CSR.
5. Details of CSR spent for the financial year:
  - a) Total amount spent for the financial year: Rs.28.41 Lakhs
  - b) Amount unspent, if any: Rs. 3.22 Lakhs

#### Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or Activity Identified	Sector in which the activity is covered	Locations District (State)	Amount Outlay (budget) project or program wise	Amount spent on the projects of programs	Cumulative Expenditure	Amount Spend Direct or through Implementing Agency
							(₹ in Lakhs)
1	Donation for empowering women and children and eradicating hunger and poverty.	Women Empowerment	Mumbai (Maharashtra)	7.00	5.00	5.00	5.00
2	Educational, Scholarship, Bridge Education, Tuition Support, Technical Education, Book Provisioning, in remote villages and also providing educational aid to Govt. Schools	Literacy	Mumbai, Nashik (Maharashtra), New Delhi (Delhi) Kolkata (West Bengal)	20.00	21.10	21.10	21.10

3	Supporting Anti Retroviral Treatment Centres, Preventive Health Care	Preventive Health Care	Mumbai, Nashik (Maharashtra), New Delhi (Delhi)	3.52	1.31	1.31	1.31
4	Prime Minister's National Relief Fund	Prime Minister's National Relief Fund	--	0.00	1.00	1.00	1.00
5	Rural Development Project	Rural Development Project	--	1.11	0.00	0.00	0.00

\* Details of the implementing agencies: Maharia Charitable Trust, Prime Minister's National Relief Fund, Manav Seva Sansthan, Maharashtra Samaj Seva Sangh, Shree Maheshwari Vidyalaya, National Org. For Social Empower, Shri Guruji Rugnalaya, Cancer Aid & Research Foundation, MSF India N.Delhi, UNICEF, New Delhi, The Blind & Humanity Welfare Centre

6. Reason for not spending two percent of the average net profits of the last three financial years on CSR:

Out of the total amount to be spent on CSR, the Company has spent nearly 90% of the said amount. The management has identified certain projects for CSR activities in the local areas, wherein the work had already started in the last year and will be further intensified during the current year.

7. A Responsibility Statement of the Corporate Social Responsibility Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company:

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

## *Annexure 'C' To Directors' Report*

### **Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant To Provisions of Section 134 Of The Companies Act, 2013 Read With The Companies (Accounts) Rules, 2014**

#### **A) CONSERVATION OF ENERGY**

i) The steps taken or impact on conservation of energy

The Company is continuously working on various projects for conservation of energy and has taken the following measures for conservation of energy :

- Relining of salt bath furnaces to reduce losses and cycle time, etc.
- Checked main incoming 11KV line cable, cable joints, substation switch gears, BOCB to reduce major breakdown and losses.

ii) The steps taken by the company for utilising alternate sources of energy

a) Exploration is going on for following alternate sources of energy :

- Solar Energy
- Wind Energy

b) So far, above alternate sources of energy are not economical.

iii) The capital investment on energy conservation equipments

The Company has carried out following activity for conservation of energy.

a) Relining of PT Bath	-	Rs. 36,300/-
b) Relining of Muffle Furnace	-	Rs. 9,000/-
Total	-	Rs. 45,300/-

#### **B) TECHNOLOGY ABSORPTION**

i) The efforts made towards technology absorption

The company has procured and installed CNC Edge milling machine for pliers machining at Goa plant.

The company has procured Bursting Strength Testing Equipment with digital type for checking of cartons.

Exploration is going on for following equipments:

- Planning to procure Ultrasonic Cleaning machine for pliers
- Planning to procure Induction heating machine for screw driver blade.
- Planning to procure Automatic box strapping machine

The Company has its continued participation in National & International exhibitions to understand the modernization taking place in hand tools market and to explore the modern manufacturing processes.

ii) Benefits derived as a result of above efforts

- Better and efficient manufacturing processes
- Improved overall product quality
- Maintained market leadership in domestic market, several tangible and intangible benefits are derived such as better control over production cost, productivity and wastage and curtailment of maintenance cost.
- Sustained business in spite of global competition.

iii) Information regarding Technology Imported during last 3 years

The company has not imported any technology from outside.

iv) The expenditure incurred on Research and Development

a) Capital	:	-
b) Recurring	:	Rs. 161.39 Lakhs
c) Total	:	Rs. 161.39 Lakhs
d) Total R and D Expenditure as a % of total turnover	:	0.48%

C) Foreign Exchange earnings and outgo

Foreign exchange earnings	:	Rs. 308.97 Lakhs
Foreign exchange outgo	:	Rs. 411.60 Lakhs

## *Annexure 'D' To Directors' Report*

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
TAPARIA TOOLS LIMITED  
52 & 52B, MIDC Area,  
Nashik-422 007

I am appointed by the Board of Directors of **TAPARIA TOOLS LIMITED** (hereinafter called the Company) to conduct Secretarial Audit on a voluntary basis for the financial year of the Company ended **31<sup>st</sup> March, 2016**.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; No disclosure in this regards were found on record accordingly.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients
  - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - g) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
  - h) The Memorandum and Articles of Association.
  - V) Other laws applicable specifically to the Company namely

**1. Labour Laws**

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act, 1948
6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Industrial Employment (Standing Order) Act, 1946
13. The Employees' Compensation Act, 1923
14. The Apprentices Act, 1961
15. Equal Remuneration Act, 1976

**2. Environment Laws**

1. Water (Prevention and Control of Pollution) Act, 1974;
2. Water (Prevention and Control of Pollution) Cess Act, 1977;
3. Air (Prevention and Control of Pollution) Act, 1981;
4. Environment (Protection) Act, 1986;
5. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

**Further I have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and Listing Agreements etc. Following is my observation on specific matters of the Company:

- a) The Securities and Exchange Board of India (SEBI) has passed an interim order number WTM/PS/09/CFD/MAY/2015 dated 20th May 2015 (herein after called as 'the Order') with reference to categorization of Promoters' Shareholding.

The Management has represented that the Promoter and Promoter group Shareholding filed with the SEBI is correct and hence no action is taken for further dilution of Promoter and Promoter group shareholding by the Company. The Company has filed a reply to SEBI on 14th October 2015 asking for an opportunity to present its case and no reply from SEBI was received during the period under review.

**Further it has been observed that:**

- With reference to point number 24 of the order the Company has filed the Compliance status report with the Stock Exchange in 3 out of 4 quarters.
  - With reference to Promoters Share Holding, the Company continues to file the same Share Holding Pattern with the BSE as per the stand taken by the Company.
- b) As on the Period of Audit, Two Investor Complaints were open and action were taken by the Company on the same.
  - c) During the period of Audit, 19.26% percent of Promoters' Share Holding was dematerialised and 80.74% percent was yet to be dematerialised. The Listing agreement requires 100 percent shares of Promoter category to be dematerialised. The management has represented that the promoters had submitted the shares for dematerialisation and are in the process of dematerialisation.

- d) The Company is in the process of adopting the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- e) Following documents were filed with slight delays:
  - a. Corporate Governance report for First quarter of financial year 2015-16.
  - b. E-form MGT-14 (Increase in Managerial remuneration of director and MGT-15 (Proceedings of Annual General Meeting)).
- f) The Company had made an application to Maharashtra Pollution Control Board (MPCB) on 1st December, 2012 for extension of consent to operate, which was pending for approval of MPCB.
- g) The Factory inspection of the Company was taken by the Deputy Director, Health and Safety on 16th March 2016. The authority had given 28 recommendations and the Management has represented that the Company has initiated action on all the recommendations.

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- The FEMA, 1999 is not applicable to Company under the review of audit.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/actions in the pursuance to the above referred laws, rules, regulations, guidelines, standards etc. having a major bearing on the company's affairs.

**Sagar R. Khandelwal**  
Company Secretary  
(ACS 25781)  
(C.P. No. 13778)

Pune  
3<sup>rd</sup> August, 2016

## *Annexure To The Secretarial Audit Report*

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Sagar R. Khandelwal**

*Company Secretary*

(ACS 25781)

(C.P. No. 13778)

Pune

3<sup>rd</sup> August, 2016



## Annexure 'E' to the Directors' Report

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2016**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1	CIN	L99999MH1965PLC013392
2	Registration Date	31 <sup>st</sup> December 1965
3	Name of the Company	Taparia Tools Limited
4	Category/Sub-category of the Company	Public Company limited by shares
5	Address of the Registered office & contact details	52 & 52B, MIDC Area, Trimbak Road, Nashik - 422 007
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent.	"Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093."

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Company engaged in business activity of manufacturing & trading of Hand Tools	-	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	"% of shares held"	"Applicable Section"
N.A.					

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April-2015]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	-	2,091,217	2,091,217	68.89	407659	1,683,558	2,091,217	68.89	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	25,300	25,300	0.83	-	25,300	25,300	0.83	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	-	2,116,517	2,116,517	69.72	407659	1,708,858	2,116,517	69.72	-
(2) <b>Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	0.00	2,116,517	2,116,517	69.72	407,659	1,708,858	2,116,517	69.72	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	-	397,675	397,675	13.10	-	351,175	351,175	11.57	11.69
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
ii) Individual shareholders holding nominal share capital up to ₹ 1 lakh	80	41,298	41,378	1.36	9228	67844	77,072	2.54	86.26
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	407,134	407,134	13.41	37850	380090	417,940	13.77	2.65

c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts		20	20	0.00	-	20	20	0.00	0.00
Directors & Relatives		56526	56,526	1.86	-	56526	56,526	1.86	0.00
Foreign Bodies - D R		16500	16,500	0.54	-	16500	16,500	0.54	0.00
<b>Sub-total (B)(2):-</b>	80	919,153	919,233	30.28	47,078	872,155	919,233	30.28	0.00
<b>Total Public (B)</b>	80	919,153	919,233	30.28	47,078	872,155	919,233	30.28	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	80	3,035,670	3,035,750	100	454,737	2,581,013	3,035,750	100	0.00

### (ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHRI HARNARAYAN TAPARIA	364,650	12.01	NIL	364,650	12.01	NIL	-
2	HARNARAYAN TAPARIA (HUF)	133,129	4.39	NIL	133,129	4.39	NIL	-
3	SHRI DEVI PRASAD TAPARIA	101,699	3.35	NIL	101,699	3.35	NIL	-
4	DEVI PRASAD TAPARIA (HUF)	80,958	2.67	NIL	80,958	2.67	NIL	-
5	SHRI JAYA KRISHNA TAPARIA	147,476	4.86	NIL	147,476	4.86	NIL	-
6	JAYA KRISHNA TAPARIA (HUF)	66,042	2.18	NIL	66,042	2.18	NIL	-
7	SHRI MADHAV PRASAD TAPARIA	143,565	4.73	NIL	143,565	4.73	NIL	-
8	MADHAV PRASAD TAPARIA (HUF)	115,969	3.82	NIL	115,969	3.82	NIL	-
9	MRS. BHAGWATI BINANI	55	0.00	NIL	55	0.00	NIL	-
10	SHRI BHARAT TAPARIA	133,194	4.39	NIL	133,194	4.39	NIL	-
11	BHARATKUMAR TAPARIA (HUF)	10,718	0.35	NIL	10,718	0.35	NIL	-
12	MRS. HARSHA MUNDHRA	50,000	1.65	NIL	50,000	1.65	NIL	-
13	MRS. KUSUM DEVI TAPARIA	146,848	4.84	NIL	146,848	4.84	NIL	-
14	MRS. PREMA DEVI TAPARIA	126,989	4.18	NIL	126,989	4.18	NIL	-
15	MRS. RAJDULARI DEVI TAPARIA	181,057	5.96	NIL	181,057	5.96	NIL	-
16	MRS. SHASHIDEVI BANGUR	69,271	2.28	NIL	69,271	2.28	NIL	-
17	MRS. SUDHA DEVI TAPARIA	103,799	3.42	NIL	103,799	3.42	NIL	-
18	SHRI SUSHIL KUMAR TAPARIA	71,799	2.37	NIL	71,799	2.37	NIL	-
19	SUSHIL KUMAR TAPARIA (HUF)	43,999	1.45	NIL	43,999	1.45	NIL	-
20	OM SHRI YOGESHWAR MFG.& TRADING CO.	25,300	0.83	NIL	25,300	0.83	NIL	-

### (iii) Change in Promoters' Shareholding

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			No changes in Promoters shareholding during the year			
	Changes during the year			No changes in Promoters shareholding during the year			
	At the end of the year			No changes in Promoters shareholding during the year			

**(iv) Shareholding Pattern of top ten Shareholders***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	VEER ENTERPRISES						
	At the beginning of the year			274,288	9.04	274,288	9.04
	Changes during the year			-	0.00	-	0.00
	At the end of the year			274,288	9.04	274,288	9.04
2	MRS. SHREEKANTA DEVI TAPARIA						
	At the beginning of the year			100,098	3.30	100,098	3.30
	Changes during the year			-	0.00	-	0.00
	At the end of the year			100,098	3.30	100,098	3.30
3	SHRI ANANT TAPARIA						
	At the beginning of the year			60,364	1.99	60,364	1.99
	Changes during the year			-	0.00	-	0.00
	At the end of the year			60,364	1.99	60,364	1.99
4	SHRI SHREE KUMAR BANGUR						
	At the beginning of the year			57,358	1.89	57,358	1.89
	Changes during the year			-	0.00	-	0.00
	At the end of the year			57,358	1.89	57,358	1.89
5	SHRI SAURABH BANGUR						
	At the beginning of the year			56,555	1.86	56,555	1.86
	Changes during the year			-	0.00	-	0.00
	At the end of the year			56,555	1.86	56,555	1.86
6	ABHIMANYU MUNDHRA-MINOR THROUGH GUARDIAN						
	At the beginning of the year			50,000	1.65	50,000	1.65
	Changes during the year			-	0.00	-	0.00
	At the end of the year			50,000	1.65	50,000	1.65
7	SHREE SATYANARAYAN INVESTMENTS CO.						
	At the beginning of the year			46,000	1.52	46,000	1.52
	Changes during the year			-	0.00	-	0.00
	At the end of the year			46,000	1.52	46,000	1.52
8	ARYAMAN TAPARIA-MINOR THROUGH GUARDIAN						
	At the beginning of the year			35,277	1.16%	35,277	1.16%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			35,277	1.16%	35,277	1.16%
9	SHRI SATISH KUMAR MUNDHRA						
	At the beginning of the year			20,438	0.67	20,438	0.67
	Changes during the year			-	0.00	-	0.00
	At the end of the year			20,438	0.67	20,438	0.67
10	MRS. SUNITA KABRA						
	At the beginning of the year			-	0.00	-	0.00
	Changes during the year		Transfer	37,850	1.25	37,850	1.25
	At the end of the year			37,850	1.25	37,850	1.25

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SHRI HARNARAYAN TAPARIA, LIMITED, CHAIRMAN & MD.						
	At the beginning of the year			364,650	12.01	364,650	12.01
	Changes during the year			-	0.00	-	0.00
	At the end of the year			364,650	12.01	364,650	12.01
2	SHRI DEVI PRASAD TAPARIA, NON-EXECUTIVE DIRECTOR						
	At the beginning of the year			101,699	3.35	101,699	3.35
	Changes during the year			-	0.00	-	0.00
	At the end of the year			101,699	3.35	101,699	3.35
3	SHRI JAYA KRISHNA TAPARIA, NON-EXECUTIVE DIRECTOR						
	At the beginning of the year			147,476	4.86	147,476	4.86
	Changes during the year			-	0.00	-	0.00
	At the end of the year			147,476	4.86	147,476	4.86
4	SHRI MADHAV PRASAD TAPARIA, NON-EXECUTIVE DIRECTOR						
	At the beginning of the year			143,565	4.73	143,565	4.73
	Changes during the year			-	0.00	-	0.00
	At the end of the year			143,565	4.73	143,565	4.73
5	SHRI VIRENDRAA BANGUR, NON-EXECUTIVE DIRECTOR						
	At the beginning of the year			56,526	1.86	56,526	1.86
	Changes during the year			-	0.00	-	0.00
	At the end of the year			56,526	1.86	56,526	1.86
6	SHRI SIVARAMAKRISHNAN, DIRECTOR-OPERATIONS						
	At the beginning of the year			NIL	NIL	NIL	NIL
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year			NIL	NIL	NIL	NIL
7	SHRI S.R. BAGAD, CHIEF FINANCIAL OFFICER						
	At the beginning of the year			NIL	NIL	NIL	NIL
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year			NIL	NIL	NIL	NIL
8	SHRI V.S. DATEY, COMPANY SECRETARY						
	At the beginning of the year			NIL	NIL	NIL	NIL
	Changes during the year			NIL	NIL	NIL	NIL
	At the end of the year			NIL	NIL	NIL	NIL

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition				-
* Reduction				-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹ In Lakhs)
		Shri H.N. Taparia	Shri Sivaramakrishnan	
	Designation	Chairman and Managing Director	Director - Operations	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00	16.17	58.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.96	1.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
		-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	42.00	18.13	60.13
	Ceiling as per the Act (being 10% of net Profit as worked out as per section 198 of the Companies Act, 2013)			126.52

**B. Remuneration to other Directors****(₹ In Lakhs)**

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri P.N. Shah	Shri B.B. Ladda	Shri G.S. Manasawala	Shri Rajeev J. Mundra	Shri Shyam Malpani	CA Bhavna Shamdasani	
1	Independent Directors							
	Fee for attending board committee meetings	0.75	0.40	0.75	0.35	0.50	0.45	3.20
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.75	0.40	0.75	0.35	0.50	0.45	3.20
2	Other Non-Executive Directors							
	Shri J.K. Taparia	Shri J.K. Taparia	Shri D.P. Taparia	Shri M.P. Taparia	Shri Virendraa Bangur			-
	Fee for attending board committee meetings	0.40	0.50	0.40	0.10			1.40
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	0.40	0.50	0.40	0.10			1.40
	Total (B)=(1+2)							4.60
	Total Managerial Remuneration							64.73
	Overall Ceiling as per the Act (being 10% of net Profit as worked out as per section 198 of the Companies Act, 2013)							139.17

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration Name Designation	Name of Key Managerial Personnel		Total Amount (₹ In Lakhs)
		Shri S.R. Bagad CFO	Shri V.S. Datey CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.10	1.56	9.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.13	0.48	1.61
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	9.23	2.04	11.27

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

## *Management And Discussion Analysis*

### **ECONOMIC SCENARIO**

Indian economic growth rose to a credible high of 7.5% in the year as compared to 5.2% last year as a result of various factors that proved to be conducive for the development. The macroeconomic condition is stable; consumer price inflation is well under control and the wholesale price inflation is in negative territory.

Even as the economy has made progress, this has yet to show a positive impact on significant demand revival and improved corporate earnings. There have been four interest rate cuts by the Reserve Bank of India; and thanks to historically low prices of crude oil, minerals and metals, input costs have reduced with the balance of payment situation being better than it has been in the last five years. Two consecutive weak monsoon seasons and drought situation in many states in the year 2015-16 along with stalled reforms due to political discord remain concerns. Similar concerns reflect from the relatively modest pace of infrastructure growth. However, the latest estimates of the Central Statistical Organization suggest that growth of India's Gross Value Added will not only be higher than the previous year's but also the best among large emerging economies. The long term prospects for the economy are optimistic.

### **OPPORTUNITIES AND THREATS**

#### **Opportunities:**

"Taparia Tools Ltd." owing to the long term standing in the market and its favourability among the customers, continues to seek varied and extensive opportunities for the Company. As the Company continues the introduction of new products and sets its foot in various market segments like New Replacement Markets as well as in retail markets, the Company strives to achieve new avenues of growth and development.

The Company will explore the potentials of new products in the present segment. This has proved beneficial during the recession period which is very good sign for the company.

#### **Threats:**

The ever growing and ever changing market conditions, paves way for new entrants in the market, predominantly from overseas. This leads to increasing competition for the organisation, thereby increasing the pressure on the Company.

Two consecutive weak monsoon and drought situations in many states has adversely affected and impacted the industry as well as the organisation. The Company has been making regular attempts to shield any negative impacts resulting from these concerns.

Duplicate products under the Company brand continues to be a problem hampering the operations and profits of the Company.

### **Risk Management**

The Company follows a conservative Risk Management policy. Whilst the broad framework of the Risk remains more or less same, the priorities do change in line with the changing business profile, economic scenario etc. The business profile of the Company is evolving in line with current market trends and conditions.

### **STRATEGY:**

Assuring and delivering the best quality of products to the customers has always been a priority. The Corporate Quality Assurance system has brought about a steep improvement in quality as it integrated the divisional quality assurance systems which had been in existence and delivering value to the customers.

The Company's business strategy is to improve its customer's business performance:

1. By being the partner providing the greatest value.
2. Based upon world-class technology, product application expertise and excellence in customer service.



## **OPERATIONAL AND FINANCIAL PERFORMANCE**

The Company's working during the year is satisfactory. The Company's total revenue (Net of excise duty) was Rs.33,810.72 Lakhs that represents an increase of 13.63% over the sales of Rs.29,755.47 Lakhs in the previous year. Profit earned after tax is Rs.1,265.20 Lakhs in the current year representing an increase of 30.03% against Rs. 972.99 Lakhs in the previous year.

All the efforts put in by the Management have led to a very stable and conducive work environment in the Company and paves way for the future growth. The Board acknowledges strong commitment and on-the-ground efforts of all the employees towards the growth of the organisation.

## **OUTLOOK**

The overall strategic outlook of the Company remains focused upon pursuing growth based on its philosophy of generating profits through creation of the "Greatest Value" for its customers. In terms of market conditions, India is at an inflection point, with its metals and energy demand poised to explode as its GDP potentially doubles over the next decade. Taparia Tools Limited as a responsible corporation is well-positioned to explore the opportunities that come with the developing economic conditions. The Company has reviewed its strategic objectives and is geared to develop innovative solutions for its customers. The Company also seeks to continue having its focus on strategic growth initiatives for business expansion and sector penetration.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has in place Internal Financial Control Systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information compliance of various internal controls and other regulatory and statutory compliance. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Promoting operational efficiency.
- Ensuring compliance with various legal and regulatory provisions.
- Ensuring reliability of financial and other records for preparing financial information and for maintaining accountability of assets.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

## **Key elements of the Internal Control Systems are as follows:**

- (1) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (2) Existence of clearly defined organizational structure and authority.
- (3) Existence of corporate policies for Financial Reporting and Accounting.
- (4) Existence of Management information system updated from time to time as may be required.
- (5) Existence of Annual Budgets and Long Term Business Plans.
- (6) Existence of Internal Audit System.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

**HUMAN RESOURCES:**

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance. The success of the Company and good track record are largely attributable to the remarkable commitment, dedication and hard work of the employees. The Company has strongly embedded core values and all employees are trained and encouraged to use these values in their daily operations and the bases for making decisions.

The Company continued the welfare activities for the employees, which include Medical Care, Group Insurance, Canteen facility, etc. To enrich the skills of employees and enrich their experience, the Company arranges Practical Training Courses by Internal and External Faculty.

The Company has good cordial relation with trade union and employees representatives and views these relationships as contributing positively to the success of the business.

**CONCLUSION:**

The Company has posted better results in the year 2015-2016, the economy being conducive and favorable to the industry. The Company is concentrating to achieve higher position in the Hand Tools Market and multiply its turnover by expanding its area of operation. The Company has plans for making investment in the Hand Tools 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 2015-2016*

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

At Taparia Tools, Corporate Governance has been an integral part of the way we have been doing our business since inception. The base of Corporate Governance is built when sound management practices are coupled with the laws and the same are adhered to the standards of transparency and business ethics. These main drivers, together with the Company's ongoing contributions to the local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in our industry and also aid our mission to create value for all our stakeholders.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth.

### **2. BOARD OF DIRECTORS**

#### **Board Composition**

As on 31st March, 2016, the Company had 12 Directors of which 2 are Executive Directors and 4 are Non-Executive and 6 are Independent Directors including a woman director who was appointed as additional director in the category of independent director. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Shyam Malpani, Independent Director of the Company has resigned from the Board of Directors of the Company with effect from 1st August, 2016. The Board wishes to place on record its appreciation for the valuable contribution made by him during his tenure as a Director of the Company.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2016 have been made by the directors.

Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreement and Regulation 16 (1b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act.

#### **Board Meetings**

Four Board Meetings were held during the year ended on 31<sup>st</sup> March 2016. These were held on May 26, 2015; August 8, 2015; October 31, 2015 and January 30, 2016. Maximum time gap between two Board Meetings did not exceed the limits as stipulated in the Companies Act, 2013.

#### **Attendance of Directors at the Board Meeting and the last Annual General Meeting**

Name of the Director	Category	Meetings		Directorship in other Public Companies
		Board	AGM	
Shri H. N. Taparia	Chairman and MD, Promoter Director	4	Yes	1
Shri P. N. Shah	Independent Director	4	-	6
Shri B. B. Ladda	Independent Director	2	-	-
Shri G. S. Manasawala	Independent Director	4	Yes	1

Shri Rajeev J. Mundra	Independent Director	2	-	2
Shri Shyam Malpani	Independent Director	3	-	1
Miss Bhavna Shevakram Shamdasani	Independent Director	4	-	-
Shri Virendraa Bangur	Non-Executive Director	1	-	5
Shri J.K. Taparia	Non-Executive, Promoter Director	4	Yes	-
Shri M.P. Taparia	Non-Executive, Promoter Director	4	Yes	1
Shri D.P. Taparia	Non-Executive, Promoter Director	4	Yes	3
Shri Sivaramakrishnan	Director – Operations	4	Yes	-

### 3. Independent Directors :

The Independent Directors have complied with the definition of Independence as per the provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

#### Training of Independent Directors :

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. The terms of appointment of Independent Directors as has been provided to the directors appointed are also placed on the Company's website at [www.tapariatools.com](http://www.tapariatools.com)

#### Performance Evaluation of non-executive and Independent Directors

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

### 4. AUDIT COMMITTEE

#### Composition of the Committee

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

- a) Shri G. S. Manasawala – Chairman b) Shri P. N. Shah c) Shri B. B. Ladda
- d) Shri Rajeev J. Mundra and e) Shri Shyam Malpani.

The members of the Committee have good exposure to Law, Financial Management, Taxation, Company Law matters, Internal/External Audit as well as in the areas of general management.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 as well as those mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

#### Scope of Audit Committee

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended from time to time, and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, the appointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approving payments to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments to financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Approval or any subsequent modification of transactions of the Company with related parties;
  - g) Scrutiny of inter-corporate loans and investments.
  - h) Qualifications in the draft audit report.
5. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
6. Review and monitor auditors independence and performance of statutory and internal auditors and effectiveness of adequacy of audit process.
7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Carrying discussions with internal auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Carrying discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
12. To monitor the use of proceeds received in the initial public offering.
13. Approval of appointment of CFO (i.e. the Whole-time Financial Director or any other person heading the finance function or discharging that function) after assessing the qualification and background etc. of the candidate.
14. To review the functioning of the Whistle Blower mechanism.

**Powers of Audit Committee:**

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. Major accounting entries involving estimates based on the exercise of judgment by the management;
4. Significant adjustments made in financial statements arising out of audit findings; Compliance with listing and other legal requirements relating to financial statements;
5. Approval or any subsequent modification of transactions of the Company with related parties;
6. Scrutiny of inter-corporate loans and investments.

**Meeting Details**

Four Meetings were held during the year – on May 26, 2015; August 8, 2015; October 31, 2015 and January 30, 2016.

Name of the Director	Designation	No. of meetings Attended
Shri G. S. Manasawala	Chairman	4
Shri P. N. Shah	Member	4
Shri B. B. Ladda	Member	2
Shri Rajeev J. Mundra	Member	2
Shri Shyam Malpani	Member	3

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

Shri Harnarayan Taparia, Executive Chairman and Managing Director and Shri S.R. Bagad, Chief Financial Officer are permanent invitees to the Audit Committee meetings. In addition, the heads of the Finance and Accounts, representatives of Internal and Statutory auditors generally attended these meetings. The Company Secretary acted as the Secretary to the Audit Committee.

**5. NOMINATION AND REMUNERATION COMMITTEE**

Terms of Reference of the Committee, inter alia, includes the following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
2. To devise a policy on Board diversity;
3. To formulate the criteria for evaluation of Independent Directors and the Board;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

**Composition of the Committee**

**The Nomination and Remuneration Committee consists of five Independent Directors, namely:**

Shri G. S. Manasawala (Chairman of the Committee)	Independent Director
Shri P. N. Shah	Independent Director
Shri B. B. Ladda	Independent Director
Shri Rajeev. J. Mundra	Independent Director
Shri Shyam Malpani	Independent Director

## Meeting Details

Nomination and Remuneration Committee Meetings were held in the year under review on August 8, 2015, and January 30, 2016.

### Attendance of Directors at the Nomination and Remuneration Committee Meetings

Name of the Director	Designation	No. of meetings Attended
Shri G. S. Manasawala	Chairman	2
Shri P. N. Shah	Member	2
Shri B. B. Ladda	Member	1
Shri Rajeev J. Mundra	Member	1
Shri Shyam Malpani	Member	1

### Remuneration Policy

The Nomination and Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel including Managing Director after taking into account the financial position of the Company, trends in the industry, qualifications, experience, past performance and past remuneration, etc.

The Non-Executive Directors are paid sitting fees for every meeting of the Board and its Committees attended by them.

### Details of Sitting Fees paid to Non-Executive Directors and Independent Directors

Name of the Director	Amount (Rs.)	Name of the Director	Amount (Rs.)
Shri P. N. Shah	75,000	Miss Bhavna Shevakram Shamdasani	45,000
Shri G. S. Manasawala	75,000	Shri D. P. Taparia	50,000
Shri B. B. Ladda	40,000	Shri M. P. Taparia	40,000
Shri Rajeev J. Mundra	35,000	Shri J. K. Taparia	40,000
Shri Shyam Malpani	50,000	Shri Virendraa Bangur	10,000
Total Sitting Fees Paid			4,60,000

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

Sitting fees for Directors for the Meetings are as follows:

- Board of Directors:Rs.10,000/- each meeting.
- Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Special Committee: Rs. 5,000/- each meeting.

### Performance evaluation of Directors

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of all Directors. The performance evaluation is being done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

#### Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.

- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

**Objectivity**

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

**Leadership & Initiative**

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: (No Sitting Fees)**

(₹ in Lakhs)

Name of the Director	Salary and Allowances	Perquisites
Shri H. N. Taparia, Chairman and Managing Director	₹ 42.00	Nil
Shri Sivaramakrishnan, Director - Operations	₹ 16.17	₹ 1.96
Shri V. S. Datey, Company Secretary	₹ 1.56	₹ 0.48
Shri S. R. Bagad, Chief Financial Officer	₹ 8.10	₹ 1.13
Total remuneration paid	₹ 67.83	₹ 3.57

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

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**Composition of the Committee**

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

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

DETAILS OF SHAREHOLDERS' COMPLAINTS	
1. Number of shareholders' complaints received in 2015-16	2
2. Number of complaints not solved to the satisfaction of the shareholders	2
3. Number of pending complaints	2

**Terms of reference:**

The Stakeholders' Relationship Committee, inter alia, is primarily responsible for considering and resolving grievances of security holders of the Company. The additional powers (terms of reference) of the Stakeholders' Relationship Committee are:

1. Review and oversee the process of transfer, transmission of shares, issue duplicate share certificates, splitting or consolidation of share certificates, redress shareholders' complaints, approve the nominations received, dematerialisation, rematerialisation, etc. and other shares related formalities.
2. Review and oversee the process of resolving of shareholders /investors/ security-holders grievances.
3. Advise the Board of Directors on matters which can facilitate better investor services and relations.
4. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.



No. of Meetings held during the year:

During the year the Committee had 2 meetings on 18<sup>th</sup> July, 2015, 10<sup>th</sup> October, 2015 and 9<sup>th</sup> January, 2016

#### **Attendance of Directors at the Stakeholders' Relationship Committee Meeting**

<b>Name of the Director</b>	<b>Designation</b>	<b>No. of meeting Attended</b>
Shri D. P. Taparia	Chairman	3
Shri H. N. Taparia	Member	3
Shri Sivaramakrishnan	Member	3

### **7. Corporate Social Responsibility Committee (CSR)**

#### **Composition of the Committee**

The members of the Corporate Social Responsibility Committee of the Company are Shri H. N. Taparia (Chairman), Shri D. P. Taparia and Shri. B. B. Ladda.

#### **Terms of reference:**

The Committee formulates and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities. Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also CSR policy from time to time.

#### **Composition:**

The CSR Committee of the Company consists of Chairman, 1 Non-Executive Director and 1 Independent Director.

#### **No. of Meetings held during the year**

During the year the Committee had 2 meetings on 26<sup>th</sup> May 2015 and 30<sup>th</sup> January 2016.

#### **Attendance of Directors at the Corporate Social Responsibility Committee Meeting**

<b>Name of the Director</b>	<b>Designation</b>	<b>No. of meeting Attended</b>
Shri H. N. Taparia	Chairman	2
Shri B. B. Ladda	Member	0
Shri D. P. Taparia	Member	2

### **8. RISK MANAGEMENT COMMITTEE:**

During the financial year ended 31<sup>st</sup> March, 2016, the Board of Directors constituted a Risk Management Committee and also defined its roles and responsibilities in accordance with the provisions of Clause 49 of the Listing Agreement.

#### **Terms of reference:**

The Committee's terms of reference, inter alia, include framing risk management policy and identifying Company's risk appetite set for various elements of risk, review the risk management practices & structures and recommend changes to ensure their adequacy, approve & review the risk treatment plans put in place by management and ensure adequacy of risk management practices in the Company.

It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and the framework for risk management.

This policy and the Internal Financial Controls comprehensively address the key strategic/business risks and operational risks respectively.

**9. GENERAL BODY MEETINGS**

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

Year	Day and Date	Time	Location
2012-2013	Monday 23.09.2013	12.30 p.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2013-2014	Wednesday 24.09.2014	9.30 a.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2014-2015	Tuesday 29-09-2015	9.30 a.m.	Bon Vivant, Patil Park, Old Gangapur Naka, Opp. Dongre Vasti Gruha, 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 23, 2013	4	<ul style="list-style-type: none"> <li>Appointment of Shri Sivaramakrishnan as Whole time Director designated as Director – Operations and fix the ceiling limit of remuneration payable to him.</li> <li>Increase in the ceiling limit of remuneration of Dr. M.G. Nathani, Executive Director.</li> <li>Amendment to Articles of the Company for the purpose of dematerialisation of shares.</li> <li>Conversion of shares in dematerialised form.</li> </ul>
September 24, 2014	1	Amendment in the Articles of Association of the Company
September 29, 2015	1	Reappointment of Shri H.N. Taparia (DIN: 00126774) as Chairman and Managing Director for a period of 5 years w.e.f 17-09-2015 and fix the remuneration and perquisites thereof.

**10. 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.

**Disclosure of Accounting Treatment**

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

**Vigil Mechanism / Whistle-blower Policy**

In line with the best Corporate Governance practices, Taparia Tools Limited, has put in place a system through which the Directors, employees and business associates may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Company has put in place a process by which employees and business associates have direct access to the Audit Committee Chairman, Managing Director, Chairman of the Board and Compliance Officer.

The Whistle-blower Policy is placed on the notice board of the Company, and its website. Moreover, it is also carried in this Annual Report.

## Compliance 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company

- A) The Company has constituted Remuneration Committee, full details are furnished in this report. The Financial Results of the Company are published in the newspapers on quarterly basis. Hence, they are not sent to each shareholder.
- B) The statutory financial statements of the Company are unqualified.
- C) 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.

## 11. 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. These are also published in the newspapers.

## 12. SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

## 13. GENERAL SHAREHOLDERS INFORMATION

<b>a) Annual General Meeting</b>	Day, Date and Time	:	Thursday, 29 <sup>th</sup> September, 2016 at 9.30 a.m.
	Venue	:	Hotel Emerald Park, Sharanpur Link Road, Nashik-422 002
<b>b) Financial Calendar</b>	Year Ending	:	31 <sup>st</sup> March 2017
	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 BSE
	Audited results for the year ending on 31 <sup>st</sup> March 2017	:	May 2017
	Annual General Meeting for the year 2017	:	September 2017

### c) Date of Book Closure

From 23<sup>rd</sup> September, 2016 (Friday) to 29<sup>th</sup> September, 2016 (Thursday), inclusive of both days.

### d) Dividend Payment Date

No Dividend for Financial Year 2015-16 is proposed.

### e) Listing on Stock Exchange and Stock Code

Sr. No.	Stock Exchange	Stock Code	ISIN No. for CDSL & NSDL	Address
1	Bombay Stock Exchange Limited	505685	INE614R01014	Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001

The Company has paid Annual Listing Fees to BSE, Mumbai for the financial years 2014-15, 2015-16 and 2016-17.

**f) Market Price Data**

High and Low quotations of shares during the financial year 2015-16 remained fixed at Rs. 55.75/- per share.

**g) Registrar and Share Transfer Agents / Dematerialisation of shares**

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, and any other query relating to the shares of the Company:

Universal Capital Securities Pvt. Ltd  
21, Shakil Niwas, Opp. Satya Sai Baba Temple,  
Mahakali Caves Road, Andheri (East)  
Mumbai – 400 093 Maharashtra  
Tel: (022) 2820 7203-05 Fax: (022) 2820 7207  
Email: [info@unisec.in](mailto:info@unisec.in)  
Web Site: [www.unisec.in](http://www.unisec.in)

**h) Share Transfer System**

Taparia Tools Limited has completed all the formalities with CDSL and NSDL in regards to Dematerialisation of shares. Now the shareholders of the company can avail the facility of demating their shares with both the depositories i.e. NSDL and CDSL.

Shareholders may send their shares for transfer in physical form to RTA or at Registered Office of the Company. RTA will register such transfers within 15 days of receipt of the documents, if documents are found in order.

**i) Distribution of Shareholdings as on 31<sup>st</sup> March 2016**

Sr. No.	No. of Equity Shares	Shareholders		Shareholding	
		No.	%	No.	%
1	Up to 5000	238	85.61	32994	1.09
2	5001- 10000	4	1.44	29692	0.98
3	10001- 20000	8	2.88	130854	4.31
4	20001- 30000	1	0.36	25300	0.83
5	30001- 40000	1	0.36	35277	1.16
6	40001- 50000	5	1.80	233651	7.70
7	50001- 100000	9	3.24	575319	18.95
8	100001 and above	12	4.32	1972663	64.98
		278	100.00	3035750	100

**j) Shareholding Pattern as on 31<sup>st</sup> March 2016**

Category of Shareholder	No. of Shareholders	No. of Shares	Percentage of Shareholding
Promoters	19	2091217	68.89
Bodies Corporate (Promoters)	1	25300	0.83
Bodies Corporate (Others)	6	351175	11.57
Foreign Investors	1	16500	0.54
Others	251	551558	18.17
TOTAL	278	3035750	100

Physical/NSDL/CDSL/Summary Report as on 31<sup>st</sup> March, 2016

Particulars	Holders	Shares	Percentage
Physical	261	2581013	85.02
NSDL	13	454269	14.96
CDSL	4	468	0.02
Total	278	3035750	100.00

**k) Dematerialization and Liquidity:**

Taparia Tools Limited has completed all the formalities with CDSL and NSDL in regards to Dematerialisation of shares. The Company is endeavoring to complete the dematerialisation of shares of Promoter and Promoter Group. Till date, after the initiating the process of dematerialisation of shares, the Promoter and Promoter Group have already demated 72.95% of their shareholding.

**l) Plant Locations**

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

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

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

**14. UNCLAIMED DIVIDEND AMOUNTS:**

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend for the following years, which remain unclaimed for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings in electronic form or inform their latest correspondence address to the Registrars in case of holdings in physical form.

**15. CODE OF CONDUCT**

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

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

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

**For and on behalf of the Board**

Mumbai,  
13<sup>th</sup> August 2016

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

## *Code of Conduct*

### **DECLARATION**

As provided under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2016.

**For and on behalf of the Board**

Mumbai,  
13<sup>th</sup> August 2016

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

---

### **CEO/CFO CERTIFICATION**

We, H.N. Taparia, Chairman and Managing Director and S.R. Bagad, Chief Financial Officer of Taparia Tools Limited, certify that:

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

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

**S. R. Bagad**  
*Chief Financial Officer*

Mumbai,  
30<sup>th</sup> May 2016

## *Auditors' Certificate on Corporate Governance*

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 31<sup>st</sup> March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and 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 provision as specified in Chapter IV of SEBI Regulations and Clause 49 of the Listing Agreement of the said Company with stock exchanges..

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 as 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*

ICAI Firm Registration Number: 101048W

**Kaushal Mehta**

*Partner*

(Membership Number: 111749)

Mumbai,  
13<sup>th</sup> August, 2016

## *Independent Auditors' Report*

To the Members of Taparia Tools Ltd.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Taparia Tools Ltd. ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profits and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by Companies (Auditors Report) Order, 2016 ('the Order') issued by Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure –A a statement on the matters specified in paragraphs 3 and 4 of the order.



**2 As required by Section 143 (3) of the Act, we report that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in 'Annexure B' and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-refer notes to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Registration Number: 101048W

**Kaushal Mehta**

Partner

(Membership Number: 111749)

Mumbai

Date: 30<sup>th</sup> May, 2016

## *Annexure - A to the Independent Auditors' Report*

### **(Referred to in paragraph 1 under 'Report on other legal and Regulatory requirements' section 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) As informed, all fixed assets were physically verified by the management during the year, and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly clause 3 (iii) (a) and (b) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in the current year, in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of hand tools, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, the following dues of municipal tax have not been deposited by the Company on account of dispute:

Name of statute	Nature of dues	Amount under dispute (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Municipal Tax Act, 1963	Octroi duty	4.91	1984-1986 & 1988	High Court

- (viii) The Company has not defaulted in repayment of any loans from financial institution, bank, Government or debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer and the Company has not taken any term loan during the year.
- (x) As per the information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) In our opinion and according to the information and

explanations given to us the Company is not a Nidhi Company. Accordingly the paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xvi) As informed and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As informed the Company has not entered into any

non-cash transactions with Directors or persons connected with him

(xvi) As per the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Registration  
Number: 101048W

**Kaushal Mehta**

Partner

Mumbai,  
30<sup>th</sup> May, 2016

(Membership Number: 111749)

## *Annexure – B to the Auditors’ Report*

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Taparia Tools Ltd. (“the Company”) as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an

understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Registration Number: 101048W

**Kaushal Mehta**

Partner

(Membership Number: 111749)

Mumbai,  
30<sup>th</sup> May, 2016

**BALANCE SHEET as at 31<sup>st</sup> March, 2016**

	Note No.	As at 31st March, 2016	As at 31st March, 2015
(₹ in lakhs)			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	303.58	303.58
Reserves & Surplus	2	7,804.96	6,539.75
		8,108.54	6,843.33
<b>Non-Current Liabilities</b>			
Long-term Borrowings	3	-	-
Long-term Provisions	4	275.95	327.72
		275.95	327.72
<b>Current Liabilities</b>			
Short-term Borrowings	5	2,746.45	2,341.72
Trade Payables		3,087.89	1,659.18
Other Current Liabilities	6	359.47	554.86
Short-term Provisions	7	141.72	180.57
		6,335.53	4,736.33
	<b>Total</b>	<b>14,720.02</b>	<b>11,907.38</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	8	574.54	536.55
Intangible Assets		6.11	5.86
Deferred Tax Assets (net)		59.44	40.42
Long term Loans and Advances	9	2,389.04	2,771.75
		3,029.13	3,354.58
<b>Current Assets</b>			
Inventories	10	9,166.19	6,302.23
Trade Receivables	11	2,281.68	2,012.23
Cash and Bank Balances	12	23.43	57.53
Short-term Loans and Advances	13	214.93	172.40
Other Current Assets	14	4.66	8.41
		11,690.89	8,552.80
	<b>Total</b>	<b>14,720.02</b>	<b>11,907.38</b>

As per our report of even date

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

**V.S.DATEY**  
Company Secretary

**H. N. TAPARIA** (DIN: 00126774)  
Chairman & Managing Director

**KAUSHAL MEHTA**  
Partner  
(Membership No.111749)  
Mumbai, May 30, 2016

**S. R. BAGAD**  
Chief Financial Officer

**J. K. TAPARIA** (DIN: 00126945)  
Director

Mumbai, May 30, 2016

## *STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2016*

		(₹ in lakhs)	
		2015-16	2014-15
	Note No.		
<b>INCOME</b>			
Revenue from Operations	15	33,755.53	29,730.75
Other Income	16	55.18	24.73
<b>Total Revenue</b>		<b>33,810.71</b>	<b>29,755.48</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	17	1,422.26	1,426.33
Purchases of Traded Goods		23,399.81	18,453.64
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	18	(2,776.67)	(609.93)
Employee Benefits Expense	19	2,406.23	2,405.63
Finance Costs	20	225.66	165.60
Depreciation and Amortization Expense	21	44.47	(87.83)
Other Expenses	22	7,155.48	6,491.50
<b>Total Expenses</b>		<b>31,877.24</b>	<b>28,244.94</b>
Profit Before Tax		1,933.47	1,510.54
Income Tax Expenses :			
Current Tax		687.27	502.49
Deferred Tax		(19.01)	35.07
		668.26	537.56
Profit for the Year		<b>1,265.21</b>	<b>972.98</b>
Earnings per equity share of face value of Rs. 10 each (in ₹)			
Basic and Diluted		41.68	32.05
Significant Accounting Policies	23		
Notes on Financial Statements	24-37		
The accompanying notes 1 to 37 are an integral part of the Financial Statements			

As per our report of even date

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

**V.S.DATEY**  
Company Secretary

**H. N. TAPARIA** (DIN: 00126774)  
Chairman & Managing Director

**KAUSHAL MEHTA**  
Partner  
(Membership No.111749)  
Mumbai, May 30, 2016

**S. R. BAGAD**  
Chief Financial Officer

**J. K. TAPARIA** (DIN: 00126945)  
Director

Mumbai, May 30, 2016

## Notes forming part of the Financial Statements

	(₹ in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
50,00,000 Equity Shares of Rs.10/- Each	500.00	500.00
<b>Issued and Subscribed :</b>	303.58	303.58
30,35,750 (2015 : 30,35,750 ) Ordinary (Equity) Shares of Rs. 10/- Each fully paid-up		
<b>a) Reconciliation of Shares Outstanding</b>		
Balance at the beginning of the year	303.58	303.58
Issued during the year	-	-
Balance at the end of the year	303.58	303.58
<b>b) Details of Shareholders holding more than 5% shares</b>		
Names of shareholders:		
1. Shri Harnarayan Taparia	12.01%	12.01%
2. Veer Enterprises Ltd.	9.04%	9.04%
3. Mrs. Rajdulari Devi Taparia	5.96%	5.96%
<b>c) Rights, Preference and Restriction attached to Shares</b>		
The Company has one class of Equity Shares having par value of Rs.10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.		
<b>2 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance at the beginning and end of the year	45.00	45.00
<b>Securities Premium Reserve</b>		
Balance at the beginning and end of the year	50.00	50.00
<b>Revaluation Reserve</b>		
Balance at the beginning and end of the year	99.27	99.27
<b>General Reserve</b>		
Balance at the beginning of the year	1,195.14	1,097.88
Transferred from Statement of Profit & Loss	128.40	97.26
Balance at the end of the year	1,323.54	1,195.14
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	5,150.34	4,289.67
Add : Profit for the year	1,265.21	972.98
Add : Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013	-	(15.05)
Less : Transfer to General Reserve	(128.40)	(97.26)
Balance at the end of the year	6,287.15	5,150.34
	7,804.96	6,539.75



## Notes forming part of the Financial Statements

	(₹ in lakhs)	
	As at 31st March,2016	As at 31st March,2015
<b>3 LONG TERM BORROWINGS</b>		
Deferred Payment Liabilities	-	-
Sales Tax Deferral Loans (Unsecured)	-	-
<b>4. LONG TERM PROVISIONS</b>		
Provision for employee benefits		
For Leave Encashment	171.33	177.98
For Group Gratuity	44.29	149.74
Other Provisions	60.33	-
	<b>275.95</b>	<b>327.72</b>
<b>5. SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
Loans repayable on demand from Bank		
<b>Working Capital Loan from HDFC Bank Ltd.</b>	1,793.13	2,334.49
Loans from the bank are secured by way of hypothecation on all present and future stocks, book debts and other current assests of the company Equitable mortgage on immovable property situated at 52 and 52B, MIDC, Trimbak Road, Satpur, Nashik-422 007. The Interest rate applicable is 10.35% p.a.		
<b>Working Capital Loan from ICICI Bank Ltd.</b>	953.32	-
Loans from the bank are secured by way of hypothecation on all present and future stocks,book debts and other current assests of the company Equitable mortgage on immovable property situated at 52 and 52B, MIDC, Trimbak Road, Satpur, Nashik-422 007. The Interest rate applicable is 10.00% p.a.		
Sales Tax Deferral Loans (Unsecured)	-	7.23
	<b>2,746.45</b>	<b>2,341.72</b>
<b>6. OTHER CURRENT LIABILITIES</b>		
*Unpaid / Unclaimed dividends	-	-
Other Payables :		
Payable towards statutory liabilities	58.83	77.23
Advance from Customers	27.69	63.83
Employee Benefits payable	200.52	358.24
Outstanding & Other Liabilities	72.43	55.56
	<b>359.47</b>	<b>554.86</b>
* There are no amounts due and outstanding to be credited to 'Investors Education and Protection Fund'. There are no outstanding dues payable to Micro,Small and Medium enterprises		
<b>7. SHORT TERM PROVISIONS</b>		
Income Tax (Net of Advance Tax)	90.18	124.66
Group Gratuity	51.54	55.91
	<b>141.72</b>	<b>180.57</b>

## Notes forming part of the Financial Statements

### 8. FIXED ASSETS

(₹ in lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As on 01.04.2015	Additions	Deduction/ Adjustments	As on 31.03.2016	Up to 01.04.2015	For the year	Transaction Effect	Deduction/ Adjustments	Up to 31.03.2016	Transfer to Reserve	As at 31.03.2016	As at 31.03.2015
(A) Tangible Assets :												
(I) Own Assets												
1) Land	30.27	-	-	30.27	-	-	-	-	-	-	30.27	30.27
2) Buildings	612.25	-	-	612.25	406.67	5.07	-	-	411.74	-	200.51	205.58
3) Plant & Equipment	1,971.24	62.94	-	2,034.18	1,779.54	17.74	-	-	1,797.28	-	236.90	191.70
4) Furniture & Fixtures	58.19	3.03	-	61.22	41.25	3.98	-	-	45.23	-	15.99	16.94
5) Vehicle	51.06	19.81	14.61	56.26	31.21	5.56	-	8.06	28.71	-	27.55	19.85
6) Office Equipment	32.97	1.36	-	34.33	22.17	4.96	-	-	27.13	-	7.20	10.80
7) Others												
(a) Electrical Installations	104.09	-	-	104.09	90.35	1.73	-	-	92.08	-	12.01	13.74
(b) Computers	80.01	0.54	-	80.55	69.93	4.10	-	-	74.03	-	6.52	10.08
Sub Total	2,940.08	87.68	14.61	3,013.15	2,441.12	43.14	-	8.06	2,476.20	-	536.95	498.96
(II) Leased Assets												
Land	54.75	-	-	54.75	17.16	-	-	-	17.16	-	37.59	37.59
Total (A)	2,994.83	87.68	14.61	3,067.90	2,458.28	44.47	-	8.06	2,493.36	-	574.54	536.55
(B) Intangible Assets :												
Software	47.39	1.58	-	48.97	41.53	1.33	-	-	42.86	-	6.11	5.86
TOTAL (A) + (B)	3,042.22	89.26	14.61	3,116.87	2,499.81	44.47	-	8.06	2,536.22	-	580.65	542.41
Previous year	3,038.54	20.00	16.32	3,042.22	2,574.22	81.15	168.98	9.40	2,477.01	22.80	542.41	464.30

\* Refer note no 25

(₹ in lakhs)

	As at 31st March,2016	As at 31st March,2015
<b>9. LONG-TERM LOANS &amp; ADVANCES</b>		
Security Deposits	63.35	57.50
Advance Income Tax & T.D.S (Net)	2.38	0.49
M.V.A.T. Receivable	2,262.98	2,472.99
Special Additional Duty Receivable	60.33	240.77
	<b>2,389.04</b>	<b>2,771.75</b>
<b>10. INVENTORIES</b>		
Raw Materials	471.96	433.48
Work-in-Progress	814.57	754.44
Finished Goods	341.75	322.63
Stock-in-Trade (Goods acquired for Trading)	7,211.26	4,506.38
Stores and Spares	267.84	212.06
Others :		
Components	38.62	45.61
Scrap	20.18	27.63
	<b>9,166.19</b>	<b>6,302.23</b>
<b>11. TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	-	-
Others	2,281.68	2,012.23
	<b>2,281.68</b>	<b>2,012.23</b>

## Notes forming part of the Financial Statements

	(₹ in lakhs)	
	As at 31st March,2016	As at 31st March,2015
<b>12. CASH AND BANK BALANCES</b>		
a) Cash and cash equivalents		
Balances with Banks	16.00	37.14
Cash on hand	7.43	12.21
b) Other Bank Balances		
Margin money against LC	-	8.18
	<b>23.43</b>	<b>57.53</b>
<b>13. SHORT-TERM LOANS AND ADVANCES</b>		
<i>Unsecured (but considered good)</i>		
Advance to Employees	5.97	4.05
Advance to Suppliers	41.59	34.39
* Balance with Government Authorities	81.94	86.54
Other Receivables	64.51	24.71
Prepaid Expenses	20.92	22.71
	<b>214.93</b>	<b>172.40</b>
* Service Tax, Cenvat, etc		
<b>14. OTHER CURRENT ASSETS</b>		
Interest Receivable	2.58	3.47
Outstanding Income	2.08	4.94
	<b>4.66</b>	<b>8.41</b>

*Notes forming part of the Financial Statements*

	(₹ in lakhs)	
	2015-16	2014-15
<b>15. 1 REVENUE FROM OPERATIONS</b>		
Sale of Products	8,290.14	7,948.04
Less : Excise Duty	907.42	875.82
	7,382.72	7,072.22
Trading Sales	26,286.89	22,565.45
<b>2 Other Operating Revenue</b>		
Sale of Scrap	93.41	103.12
Less : Excise Duty	10.38	11.34
	83.03	91.78
DEPB Licence Incentive	2.89	1.30
	<b>33,755.53</b>	<b>29,730.75</b>
<b>16. OTHER INCOME</b>		
Interest Income	25.06	4.88
Miscellaneous Income	15.98	1.24
Miscellaneous Scrap Sales	11.23	12.02
Foreign Exchange Rate Difference	2.84	6.27
Sundry Credit Balances Written Back	0.07	0.32
	<b>55.18</b>	<b>24.73</b>
<b>17. COST OF RAW MATERIALS CONSUMED</b>		
Opening Stock	433.48	405.73
Add : Purchases	1,460.74	1,454.08
	1,894.22	1,859.81
Less : Closing Stock	471.96	433.48
	1,422.26	1,426.33
<b>Details of Raw Materials consumed :</b>		
Steel	830.09	837.89
Cellulose Acetate Granules and others	592.17	588.44
	<b>1,422.26</b>	<b>1,426.33</b>
<b>18. CHANGES IN INVENTORY</b>		
<b>Opening Stock :</b>		
Finished Goods	322.63	135.64
Work-in-Progress	754.44	782.32
Scrap	27.63	19.89
Stock in Trade	4,506.39	4,063.31
	5,611.09	5,001.16
Less : Closing Stock		
Finished Goods	341.75	322.63
Work-in-Progress	814.57	754.44
Scrap	20.18	27.63
Stock in Trade	7,211.26	4,506.39
	8,387.76	5,611.09
	<b>(2,776.67)</b>	<b>(609.93)</b>

## Notes forming part of the Financial Statements

	(₹ in lakhs)	
	2015-16	2014-15
<b>19. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	2,039.33	2,004.00
Managerial Remuneration	71.40	70.04
Contribution to PF and Other Funds	129.93	140.18
Employee Group Gratuity	106.45	141.28
Staff Welfare Expenses	59.12	50.13
	<b>2,406.23</b>	<b>2,405.63</b>
<b>20. FINANCE COST</b>		
Interest expenses	216.50	165.35
Other Borrowing Cost	9.16	0.25
	<b>225.66</b>	<b>165.60</b>
<b>21. DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
Depreciation for the year (As per Note 8 to the Balance Sheet)	44.47	81.15
Less : Depreciation Written back on Change of method (Refer Note 25)	-	168.98
	<b>44.47</b>	<b>(87.83)</b>
<b>22. OTHER EXPENSES</b>		
<b>Manufacturing Expenses:</b>		
Consumption of stores and Spare Parts	766.83	696.11
Power and Fuel	530.65	554.38
Water Charges	8.59	7.84
Repairs to Buildings	38.18	17.20
Repairs to Machinery	60.45	68.68
Job Work Labour Charges	548.23	510.81
Freight & Carriage	81.47	147.60
Other Manufacturing Expenses	673.39	696.02
C/F	<b>2,707.79</b>	<b>2,698.64</b>

*Notes forming part of the Financial Statements*

		(₹ in lakhs)	
		2015-16	2014-15
Other Administrative Expenses:	B/F	2707.79	2698.64
Rent		35.43	19.53
Rates & Taxes		345.39	257.77
Travelling & Conveyance		49.73	38.10
Insurance		22.64	15.90
Professional & Legal Expenses		142.62	111.63
Directors' Sitting Fees		4.60	4.60
Repairs to Others		3.42	2.61
Auditors' Remuneration :			
As Auditor		4.00	3.00
Taxation Matters		0.60	0.60
Company Law Matters		0.20	0.20
Reimbursement of Expenses		0.69	0.58
Printing & Stationery		21.84	19.39
Bad Debts Written Off		0.03	1.68
CSR Expenditure		28.41	29.76
Loss on Sale of Assets		2.99	6.03
Miscellaneous Expenses		171.02	107.27
		833.61	618.65
Selling & Distribution Expenses :			
Forwarding Expenses		456.34	389.50
Advertising/Sales Promotion Expenses and Incentive		797.48	737.71
Selling Commission		2,360.26	2,047.00
		<b>3,614.08</b>	<b>3,174.21</b>
		<b>7,155.48</b>	<b>6,491.50</b>

## *Notes Forming Part of The Financial Statements*

### **23. Significant Accounting Policies**

- a) **Basis of preparation of financial statements**  
These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The Financial Statements are prepared on approval basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts.

- b) **Fixed assets**  
Fixed Assets are stated at cost of acquisition inclusive of freight, duties and taxes and incidental expenses and adjusted by revaluation of certain assets.
- c) **Depreciation and Amortization**  
Depreciation is provided on Straight Line Method (SLM) on the cost of fixed assets less residual value during the useful life of assets as per Schedule II of the Companies Act, 2013.
- d) **Inventories**  
Inventories are valued at the lower of weighted average cost and net realizable value except waste / scrap which is valued at realizable value.

Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable inventories are duly provided for.

- e) **Employee benefits**
- (i) **Retirement Benefits**  
The Company's contributions to Provident Fund/Gratuity are charged against revenue. The Gratuity Benefits are administered by a trust formed for this purpose through the Group Gratuity Scheme of the LIC of India and contributions are made on actuarial valuation basis.
- (ii) **Leave Encashment Benefits**  
Employees of the Company are eligible for Leave Encashment Benefit as per rules of the Company. Provision for Leave Encashment is determined as per the Actuarial Report prepared in terms of AS-15 (Revised) 2015.
- f) **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 accounted in the Financial Statements.
- g) **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.
- h) **Prior Period Items**  
Prior period items, if material, are separately disclosed in the Profit and Loss account together with the nature and amount.
- i) **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.

j) 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.

k) Impairment of Assets

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

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

## 24) Provisions and contingencies

Contingent Liabilities as on 31-03-2016 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 in respect of labour matters are Rs. 67.11 lakhs (Rs. 59.92 lakhs).
- c) Constrained Octroi Duty Rs. 4.91 lakhs ( Rs. 4.91 lakhs)
- d) Bank Guarantee of Rs. 1.00 lakh(Rs. 1.00 lakhs)

## 25) Depreciation

Depreciation for the year is provided on the basis of Straight Line Method for remaining useful life of the assets. During the year, depreciation of Rs. 44.47 lakhs is provided. [Previous year: Rs.(87.83) lakhs]

## 26) Segment reporting

The Company is exclusively in the hand tools business segment.

## 27) Related Party Disclosures

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

- a) List of Related Parties/Associates/Subsidiary Companies : Nil
- b) Key Management Personnel (KMP) and their remuneration :
  - Shri H. N. Taparia (Chairman and Managing Director) : Rs. 42.00 lakhs
  - Shri Sivaramakrishnan (Director – Operations) : Rs. 18.13 lakhs
  - Shri V. S. Datey (Company Secretary) : Rs.2.04 lakhs
  - Shri S.R. Bagad (Chief Financial Officer) : Rs.9.23 lakhs
- c) Details of transactions relating to KMP as referred to in item : Remuneration:Rs. 71.40 lakhs  
(b) above (Refer Note No. 30)

There are no outstanding dues payable to the related parties as on 31-03-2016.



## 28) Earnings per share

	March 31, 2016	March 31, 2015
a) Net Profit as per P&L Account available for Equity Shareholders	₹ 1265.21 lakhs	₹ 972.99 lakhs
b) No. of Equity Shares (Basic /diluted)	30,35,750	30,35,750
c) Earnings per share	₹. 41.68	₹. 32.05

## 29) Deferred Tax Assets and Liabilities

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

	March 31, 2016	March 31, 2015
	(₹ in lakhs)	(₹ in lakhs)
Deferred Tax Assets:		
Depreciation	-29.38	-20.58
Expenditure u/s. 43B of the Income Tax Act, 1961	88.82	61.00
Net deferred tax Asset/ (Liability)	59.44	40.42

## 30) Remuneration of Managerial Personnel

Remuneration to Managing Director/Whole time Directors paid/payable during the year u/s. 197 of the Companies Act, 2013:

	2015-2016	2014-2015
	(₹ in lakhs)	
Salaries and Allowances	67.82	64.46
Perquisites	3.58	5.58
TOTAL	71.40	70.04

## 31) Balances of certain Debtors, Creditors and advances for which confirmations have not been received, are subject to reconciliations.

## 32) Lease

The Company has taken certain office/factory premises on operating lease basis. Lease payments in respect of such leases recognized in statement of Profit & Loss Rs. 35.42 lakhs (previous year Rs. 22.86 lakhs)

Non Cancellable operating leases include a clause to enable upward revision of the rental charge on an annual basis either fixed or according to prevailing market conditions. Future minimum rental receivable under non cancellable operating leases are as follows:

No. of Years	As on 31 <sup>st</sup> March 2016	Amount (₹ in lakhs)
Within one year	2	1.27
After one year but not five years	6	33.54
More than five years	2	0.61
<b>Total</b>		<b>35.42</b>

**33) Foreign Currency Exposure****Particulars of Unhedged Foreign Currency Exposure:**

Particulars of Derivative	31/03/16		31/03/15	
	Amount (₹)	Foreign Currency (US \$)	Amount (₹)	Foreign Currency (US \$)
Export Debtors	3269873	49297.05	3452577.06	55161.80
Advances for Imports	310094	4638	Nil	Nil

**34) Retirement Benefit Plans**

- a) Defined Contribution Plans:  
Contribution to Defined contribution Plans is recognized as expense in the statement of Profit and Loss, 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> 2016:

## A) Gratuity

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
I.	<b>Change in benefit obligation:</b>		
	Projected benefit obligation as on 01-04-2016	722.95	637.73
	Service Cost	25.06	21.86
	Interest Cost	57.47	57.59
	Actuarial (gain)/loss	-14.63	55.17
	Actuarial Gain Due to Change in Financial Assumption	100.39	33.99
	Benefit paid	-158.88	-83.39
	Projected benefit obligation, end of the year	732.37	722.95
II.	<b>Change in plan assets:</b>		
	Fair value of plan assets as on 01-04-2016	517.31	477.84
	Expected return on plan assets	41.13	41.57
	Employer's contributions	216.26	95.52
	Benefit paid	-158.88	-83.39
	Actuarial gain	20.71	-14.24
	Fair value of plan assets at the year end	636.53	517.30
	Excess of (obligation over plan assets)/ plan assets over obligation	65.04	103.40
III.	<b>Net gratuity and other cost for year ended 31-03-2016</b>		
	Service cost	25.06	21.86
	Interest on defined benefit obligation	16.34	16.01
	Expected return on plan assets		
	Net actuarial gain recognized in the year	65.04	103.41
	Net gratuity and other costs	106.44	141.28

IV.	<b>Category of assets as at 31-03-2016:</b>		
	Insurer Managed Funds	636.53	517.30
	Others		
	Total	636.53	517.30
V.	<b>Assumptions used in accounting for the gratuity plan:</b>	%	%
	Discount rate	7.56	7.95
	Salary escalation rate	9.78	7.50
	Expected rate of the return on plan assets	7.56	7.95

B) Leave Encashment

Sr. No.	Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
I.	<b>Actuarial gain /Loss recognised</b>		-
	Actuarial (gain)/loss for the period - Obligation	(9.00)	-
	Actuarial (gain)/Loss for the period – Plan assets	-	-
	Total (gain)/Loss for the period	(9.00)	-
	Actuarial (Gain)/Loss recognized in the period	(9.00)	-
	Unrecognised actuarial (Gain)/Loss at the end of period	-	-
II	<b>The Amounts to be recognized in the Balance Sheet:</b>	171.33	-
	Present value of obligation as at the end of the period 31-03-2016		-
	Fair value of the plan assets as at the end of the period 31-03-2016	0	-
	Current liability	63.68	-
	Non-current liability	107.65	-
	Funded status as at the end of the period 31-03-2016	(171.33)	-
	Unrecognised actuarial (gain)/Loss	-	-
	Net asset / (Liability) recognized in the balance sheet	(171.33)	-
III	<b>Current service cost</b>	11.34	
	Acquisition adjustment	-	
	Past service cost	-	
	Interest cost	13.02	
	Expected return on plan assets	-	
	Curtailement(gain)/loss	-	
	Settlement (gain)/loss	-	
	Net actuarial (gain) / Loss recognized in the period	(9.00)	
	Expenses recognized in the statement of profit & loss at the end of period 31-03-2016	(15.36)	

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

### 35) Corporate Social Responsibility

Section 135 of the Companies Act, 2013 stipulates the provision for spending of 2% of the average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities, for the companies that meet the applicable threshold. Accordingly a CSR committee has been formed by the company to allocate and spend the said amount for the CSR activities. Thus the details of the amount spent are:

Amount to be spent (2% of the average net profit of immediately preceding 3 financial years)	Amount spent by the Company	Unspent amount carried forward to next year
Rs. 31.63 Lakhs	Rs. 28.41 Lakhs	Rs. 3.22 Lakhs

**36) Research and Development Expenses**

Expenditure on Research and Development is as under:

Capital	-
Recurring	Rs. 161.39 Lakhs
Total	<u>Rs. 161.39 Lakhs</u>

Total R and D Expenditure as percentage of total turnover: 0.48%

**37) Additional Information:**

(i)	Value of consumption of Raw Material, Stores, Parts, and Components	(Rs. in Lakhs)		Percentage	
		2015-16	2014-15	2015-16	2014-15
	Imported	2.18	2.18	0.10%	0.10%
	Indigenous	2122.42	2122.42	99.90%	99.90%

(ii)	Value of Imports on CIF Basis	2015-16	2014-15
	Raw materials	Nil	Nil
	Stores and Spare parts	3.11	2.18
	Capital Goods	49.82	Nil
	Traded Goods	328.39	2037.36

(₹ in Lakhs)

(iii)	Expenditure in Foreign Currency	2015-16	2014-15
	Travel	5.61	0.36
	Sales Promotion and commission	24.67	2.55

(₹ in Lakhs)

(iv)	Earnings in Foreign Currency	2015-16	2014-15
	FOB Value of Exports	308.97	225.16

38) Previous Year's figures have been recast/regrouped wherever necessary.

**Signatures to Notes 1 to 37**

As per our report of even date

**For BATLIBOI & PUROHIT**

 Chartered Accountants  
(Firm Reg. No. 101048W)

**V.S. DATEY**

Company Secretary

**H.N. TAPARIA**

 Chairman & Managing Director  
(DIN: 00126774)

**KAUSHAL MEHTA**

 Partner  
(Membership No. 111749)

**S.R. BAGAD**

Chief Financial Officer

**J. K. TAPARIA**

 Director  
(DIN: 00126945)

 Mumbai, 30<sup>th</sup> May, 2016

 Mumbai, 30<sup>th</sup> May, 2016

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2016

	(₹ in Lakhs )	
	As at 31st March 2016	As at 31st March 2015
<b>A Cash flow from Operating activities</b>		
Net Profit Before Tax	1,933.47	1,510.54
<i>Adjusted for :</i>		
Depreciation	44.47	(87.83)
(Loss) on Sale of Fixed Assets	2.99	6.03
Special Additional Duty	(12.75)	(1.24)
Sundry Credit Balance Written Off	0.07	0.32
Bad Debts written off	0.03	1.68
Finance Costs	225.66	165.60
	260.49	84.56
	<b>2,193.94</b>	<b>1,595.10</b>
<b>Operating Profit before Working Capital Changes</b>		
Working Capital Changes		
Inventories	(2,863.96)	(630.19)
Trade Receivables	(269.44)	(141.77)
Loans and Advances	331.87	(660.56)
Other Current Assets	3.75	(4.72)
Trade Payable	1,428.36	94.94
Other Current Liabilities	(195.38)	297.03
Provisions	(90.23)	61.68
	(1,655.04)	(983.59)
<b>Cash Generated from Operations</b>	<b>538.90</b>	<b>611.51</b>
Income Tax Paid	650.00	405.00
<b>Net Cash flow from operating Activities</b>	<b>(111.10)</b>	<b>206.51</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(89.26)	(20.00)
Sales of Fixed Assets	3.56	0.89
Margin Money Deposit for Letter of Credit	(8.18)	8.18
<b>Net Cash flow from investing activities</b>	<b>(93.88)</b>	<b>(10.93)</b>

	(₹ in Lakhs )	
	As at 31st March 2016	As at 31st March 2015
<b>C Cash flow From Financing Activities</b>		
(a) Repayment of Long-term Borrowings	-	-
(b) Proceeds from Short-term Borrowings	404.73	(43.57)
(c) Finance Cost	(225.66)	(165.60)
<b>Net Cash flow from financing activities</b>	<b>179.07</b>	<b>(209.17)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(25.91)</b>	<b>(13.59)</b>
<b>Add: Cash and cash equivalents at the beginning of the period</b>	<b>49.34</b>	<b>62.93</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>23.43</b>	<b>49.34</b>

As per our report of even date

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

**V.S.DATEY**  
Company Secretary

**H. N. TAPARIA** (DIN: 00126774)  
Chairman & Managing Director

**KAUSHAL MEHTA**  
Partner  
(Membership No.111749)  
Mumbai, May 30, 2016

**S. R. BAGAD**  
Chief Financial Officer

**J. K. TAPARIA** (DIN: 00126945)  
Director

Mumbai, May 30, 2016



**TAPARIA TOOLS LTD.**

(Regd. Office : 52 & 52B, MIDC Area, Satpur, Nashik – 422 007)  
Tele. :(0253) 2350317/318/418, Fax : (0253) 2350740  
E-Mail:nashik@tapariatools.com  
CIN : L99999MH1965PLC013392

**Form No. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No./DP Id and Client ID : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 50<sup>th</sup> Annual general meeting of the company, to be held on Thursday, 29<sup>th</sup> September, 2016 at 9.30 A.M. at Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Description of Resolution	For	Against
1	Adoption of the Audited Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and the Auditors thereon.		
2	Appointment of Director in place of Shri M.P. Taparia (DIN: 00126971), who retires by rotation and being eligible, offers himself for re-appointment.		
3	Re-appointment of M/s. Batliboi & Purohit, Chartered Accountants, Mumbai (Registration No.101048W) and to fix their remuneration for the financial year ending 31st March 2017.		
4	Enhance the Borrowing powers of Board from Rs. 80 crores to Rs.200 crores.		
5	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings		

Signed this \_\_\_\_\_ day of September, 2016

Affix a Re. 1/-  
revenue stamp

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





**TAPARIA TOOLS LTD.**

(Regd. Office : 52 & 52B, MIDC Area, Satpur, Nashik – 422 007)  
Tele. :(0253) 2350317/318/418, Fax : (0253) 2350740  
E-Mail:nashik@tapariatools.com  
CIN : L99999MH1965PLC013392

**ATTENDANCE SLIP  
50<sup>th</sup> ANNUAL GENERAL MEETING**

Member's Folio Number : \_\_\_\_\_

Name of the attending Member : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_

I/We hereby record my/our presence at the 50<sup>th</sup> Annual General Meeting of the Shareholders of the Company at Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002 on Thursday, 29<sup>th</sup> September, 2016 at 9.30 A.M.

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

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.